FBIS DAILY REPORT

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SITUATION NORMALIZES AFTER COB STRIKE

PY060304 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Sep 85

[Excerpts] After the first 48 hours of the strike ordered by the Bolivian Labor Federation [COB], it can be said that no problems have arisen and that the last 2 days passed in absolute calm, except for the workers protest marches that fortunately did not lead to any violence. A new aspect of the strike is that the COB has decided that the media should resume normal activities. Therefore, as of tomorrow, announcers, journalists, and all media personnel will return to work as normal. Regarding the strike in La Paz, it can be said that banking activities and urban transportation were normal yesterday and today. The bus drivers worked as usual, but they charged the new tariffs ordered by the municipality. Public administration was on strike despite the fact that Nationalist Revolutionary Movement [MNR] groups tried to break up the COB strike. Despite everything, the COB strike will continue for another 72 hours. The COB leaders have reported that the strike has been obeyed in an orderly manner throughout the country. However, reports from the interior indicate that many sectors have not joined the strike.

Meanwhile, this afternoon a workers march organized by the COB was held. The union leaders who addressed the people harshly criticized the MNR government. COB leader Walter Delgadillo said that this is a struggle of patriotism against antipatriotism. He said that meetings with leaders of peasant, settler, and other sectors will be held on Monday to establish a general road blockade throughout the country.

[Begin Delgadillo recording] They are trying to convince us that the price of the dollar was lowered to a rate lower than the official one. First they devalued the dollar price by 1,900 percent, but actually the dollar price did not decrease at any moment from 1,200,000 pesos to a dollar. This can be proven by anyone. And now they want to convince us that their plan is working. Just look at this discrimination against us workers. They have increased the transport tariffs. Why didn't they (?freeze) the bus tariffs? Why were all salaries frozen instead? [applause] They are trampling on the social laws. How is it possible that a Mr Sanchez Lozada can ask you to make sacrifices when he is earning $1,000 a month? How can he have the courage to tell you to make sacrifices when they continue exploiting the country and filling their pockets with money by exporting our wealth abroad? We defy this gentleman to live with the salary of a worker for a week and then let's see if he dares to say that it is possible to do so. [end recording]

International Flights Affected

PY051615 Paris AFP in Spanish 1510 GMT 5 Sep 85

[Text] La Paz, 5 Sep (AFP) -- The Auxiliary Air Navigation Services Administration (Aasana) admitted here today that the 48-hour strike of the Bolivian Labor Federation (COB), now in its 2d day, is also affecting international flights. Aasana reported that last night a regular Peruvian Airlines flight from Lima was unable to land, while a flight of the Lloyd Bolivian Airline (LAB) flight to Lima was suspended earlier. Aasana concluded by indicating that Victor Paz Estenssoro's administration is currently doing its best to normalize international flights.

COB BLAMED FOR CRISIS BY RIVAL LABOR ORGANIZATION

PY052044 La Paz Cadena Panamericana in Spanish 1700 GMT 5 Sep 85

[Text] The Bolivian General Workers Confederation [CGT], a rival organization to the Bolivian Labor Federation [COB], has released a statement on the recent government measures. It reads as follows:

The Nationalist Revolutionary Movement [MNR] government has abandoned the populism, which in the last three decades [as heard] has caused irreparable evil, and has again taken the original nationalist road. It has directly attacked the origins of economic imbalance, inflation, and economic paralysis, mainly caused by the wretched and irrational state administration of all public enterprises, veritable fiefdoms of a corrupt bureaucracy that has even invaded anarchosyndicalism. The CGT maintains that those truly responsible for the crisis, which is laying waste to the country and threatening to destroy it, are the rulers of the Democratic and Popular Unity and the COB leadership who, obeying orders from abroad, have destroyed the traditional bases of the nation's economy by accentuating the class struggle with the goal of imposing a socialist regime subjected to the Soviet orbit after the style of Nicaragua and Cuba. However, in view of the latest hard measures conceived by the present government, the CGT believes that the workers should face these measures with moderation, and that the workers should demand, to relieve their current anguishing situation, that collateral measures should be taken. The government should consider how to improve the salaries of the lowest income sectors, even before the established date, 31 December, and even though the benefits of the new plan may be postponed for some time. Measures should be taken to create new job opportunities in order to occupy the unemployed and absorb them in road construction. In conclusion, the CGT demands that the government, based on the Constitution, restore labor union pluralism to end the labor union dictatorship, which favors only the COB. The statement is signed by Francisco Chambi, Rene Espinoza, Policarpio (Ichipana), and other CGT leaders.

MINERS DENOUNCE POLICY, U.S. EMBASSY INTERFERENCE

PY050324 Madrid EFE in Spanish 1945 GMT 4 Sep 85

[Text] La Paz, 4 Sep (EFE) -- The Trade Union Federation of Bolivian Miners (FSTMB) today affirmed that the economic policy of the Paz Estenssoro government responds to directives from the IMF and that it is bound to fail completely. The miners' federation said in its communique that the government is trying to impose an economic model tailored by the IMF in close cooperation with the U.S. Embassy. The communique emphasizes that the model is not new, and that it has been implemented in other countries and failed. One of its inexorable consequences will be the liquidation of the public enterprises that exploit and administer the strategic resources and services of the economy.

The government has dissolved the National Smelting Enterprise (ENAF), the Karachipampa metallurgical complex, and the Bolivian Development Corporation (CBF), and ordered the administrative decentralization of the Works Mining Corporation, the FSTMB says. The communique also notes that these sectors are condemned to be transferred to private hands, thus alienating the patrimony of the nation. It adds that the economic policy is a flagrant attack on the historical process of nationalizing mines, which has cost the workers 30 years of bloody struggles, massacres, imprisonments, and exiles. The miners further say that the measures adopted are at odds with the Constitution, because they ignore social benefits and rights and job security by authorizing public and private enterprises to dismiss workers en masse. The government has frozen salaries, reduced seniority bonuses, and raised taxes. The elimination of the popular groceries known as pulperias is another attack on the economy and social gains of the workers, the miners' communique says. It then adds that henceforth the economy will be in the hands of private enterprises and foreign monopolies.

The most serious implication is that the adjunct to this economic model is political repression. Not only will the economy be alienated but individual liberties, too, will be annihilated, the miners warn. In view of this serious situation, the FSTMB promises to resist the implementation of this new economic policy with all its power.

6 DIE, 577 ARRESTED IN PROTEST DEMONSTRATIONS

Protest Termed 'Success'

PY051347 Madrid EFE in Spanish 0809 GMT 5 Sep 85

[By Senen Conejeros]

[Excerpts] Santiago, 5 Sep (EFE) -- Three dead, an unspecified number of injuries, and more than 600 arrests is the partial outcome of the day of protest called for by the opposition against the military regime of General Augusto Pinochet.

An early report by unions, students, and citizens organizations, which called for the day of protest, states that the demonstration was a complete success.

At dusk, Santiago presented a bleak picture with the downtown streets almost deserted and guarded by Carabineros with antiriot weapons and water cannons. Army patrols with combat rifles were also observed in several areas of the capital. When the banging on pots and pans began a little past 2000 local time, several zones of the capital were affected by a blackout, while in other sectors of the city the electricity supply was cut early in the afternoon. Blackouts affected other cities as well, such as Valparaiso, the second most important Chilean city, 110 km northwest of Santiago. It was reported that the blackout followed a strong explosion heard in several areas of the city.

Late last night, a mass was said in the neighborhood of La Victoria, in memory of French priest Andre Jarlan, killed a year ago by a shot fired by a Carabinero during a national protest. Present at the mass were union leaders and Catholic bishops, although Cardinal Juan Francisco Fresno refused to say the mass at the cathedral, arguing that he did not find it appropriate to conduct an act that could be exploited by some groups to stage demonstrations. La Victoria Parish priest, Father Pierre Dubois, reported that 16 persons who were participating in a march to attend the mass for Father Jarlan were wounded when they were attacked by Carabineros.

Further Clashes

PY052134 Madrid EFE in Spanish 2019 GMT 5 Sep 85

[Excerpts] Santiago, 5 Sep (EFE) -- Serious incidents occurred this afternoon around and inside the central building of the University of Santiago de Chile (USACh) when groups of students clashed with the police. It has been reported that tense moments occurred when the Carabineros, using tear gas and water hoses, dispersed demonstrators who had erected barricades at the entrance to the university. The situation turned violent when the antiriot police tried to enter USACh, which is located some 15 blocks from La Moneda Palace, the seat of the government of General Augusto Pinochet, to arrest students taking refuge inside the university.

In Valparaiso, 120 km northwest of Santiago, 5,000 students from the University of Concepcion this morning gathered to condemn the police intervention that took place on 4 September in which hundreds of university students were arrested. These demonstrations took place a few hours after the day of protest held in Chile on 4 September that left a tragic toll of 6 dead, 22 injured, 577 detainees, and extensive damage worth 60 million pesos (nearly $300,000).

GOVERNMENT FILES CHARGES AGAINST CNT FOR PROTEST

PY050215 Santiago Radio Chilena in Spanish 2330 GMT 5 Sep 85

[Text] The Interior Ministry this afternoon submitted a writ to the Santiago Appellate Court containing charges against the organizers of the day of protest on 4 September. Ambrosio Rodriguez, the lawyer representing the Interior Ministry, pointed out that the writ is aimed at making the people who instigated, promoted, fomented, and participated in the events responsible for the 6 deaths, 40 injured, and extensive damage to public and private property. He added that basically the writ containing the accusation of violations of the state Internal Security Law is aimed at the National Workers Command headed by Rodolfo Seguel with the advice of Manuel Busto and others, and also against the leaders of the Metropolitan Coordinating Board of Inhabitants. The Interior Ministry's charges are sponsored by lawyers Ambrosio Rodriguez and Rene (Jorjera), who submitted the writ today at 1820. [Words indistinct] the people responsible violated six regulations of Law 12,927 on state security, four letters of Article 4, Letter I of Article 6, and Clause 2 of Article 11. Rodriguez added that the writ is aimed at fixing the criminal responsibility on the people who, disregarding the call from the authorities, persisted in conduct that resulted in events regretted by the entire population.

Minister Comments

PY060345 Santiago Radio Chilena in Spanish 2330 GMT 5 Sep 85

[Text] This is a report by Percy Barbel from Government Palace. Interior Minister Ricardo Garcia today expressed his complete repudiation of violence. He said that the government is going to investigate and clear up the causes of the deaths and material damage that have occurred in recent days. He added that it cannot be assumed that the people who organized the protests are naive enough not to believe that the protests were going to end with the type of events that occurred on 4 September. The interior minister said:

[Begin recording] I would like to make it very clear that there was no confrontation and that the police under no circumstance committed any abuse. They imposed a minimum of careful control. You must be able to see that if the armed and police forces had wanted to put a quick end to the protest, they could have done so. If they did not do so it is because they wanted to act carefully to prevent innocent victims [words indistinct]. [end recording]

The minister said that the government is carefully studying the events because people cannot act irresponsibly knowing that the results of the incidents were predictable.

The cabinet is still meeting in the Interior Ministry. This is the regular cabinet meeting held every Thursday. The meeting began at 1830 to study the situation in the country and the recent violent events that have occurred throughout the country.

SEGUEL URGES RECONCILIATION TO AVOID ANARCHY

PY060148 Santiago Radio Chilena in Spanish 1700 GMT 5 Sep 85

[Text] National Workers Command [CNT] President Rodolfo Seguel has stated that the time has come for Chileans to sit at a table to prevent the country from falling into anarchy. Seguel made this statement on the "Primera Plana" program when he assessed the developments of the day of social demands held on 4 September.

[Begin recording] Yes, I can state that every one of us Chileans has made a personal assessment of the situation prevailing in our country. We may come across people who may state that they anticipated violent, chaotic situations. Others may state that communism, Marxism, and the promoters of violence have again unleashed vengeance, hatred, and death in the country. Others may state that the day of social demands was uneventful and that absolutely nothing happened in the country. [end recording]

Nevertheless, the CNT has made a different assessment of the day of social demands held yesterday, Rodolfo Seguel stated.

[Begin recording -- in progress] ...and others, like us, the people at the CNT, especially me, as the CNT president, want to look at the situation from a different perspective, and I want to see a way, and this is a very personal opinion, to focus on the situation as a Chilean citizen, as a person who has been involved in these movements since we started them in 1983. To meet the urgent, desperate needs of Chile, our country, we Chileans of good will must meet, reconcile ourselves, sit at a table and prevent the objects of our efforts, the Chilean people, from falling into anarchy. [end recording]

Seguel added that the strength of the forces pitted against each other is not measured by who kills whom, but by their judgment and capability. No matter how tough or how lenient the dictatorship is, or how strong the social organizations are, this does not define who holds the truth, he stated. Once again, the deaths of Chilean citizens through the activities of armed groups who shoot and kill people are increasing as the days pass. These are parties who want chaos and violence to prevail in the country, Seguel stressed.

He said that the CNT very sincerely congratulated Cardinal Fresno for seeking an understanding and called upon the people not to be dragged into violence. Nevertheless, he continued, the workers need ways to express themselves and, in that regard, the day of social demands is a valid way but, at any rate, we do not approve of violence. In conclusion, Seguel reported that the CNT Executive Board will hold a meeting tomorrow to set the date for a meeting of the council of federations making up the CNT with the goal of assessing the day of social demands held on 4 September and to propose stands to be adopted in the future.

PINOCHET DETERMINED TO STAY IN POWER UNTIL 1989

PY060240 Santiago Radio Chilena in Spanish 1700 GMT 5 Sep 85

[Text] President General Augusto Pinochet has stated that he is absolutely determined to complete his term in office, which ends in 1989, and ruled out holding talks with the current political leadership, which has proposed an alternative to the current regime. In an interview granted to the magazine COSAS, the head of state said that he has a firm grip on the government and ruled out the possibility of holding a plebiscite putting his mandate at stake.

In addition, Pinochet stated that his government is not dejected, and voiced his concern over what he called the utilization of Santiago's archbishop [Juan Francisco Fresno] by the opposition political sectors.

Explaining the meaning of a statement he made recently that he is the only one who can stage a coup in Chile, Gen Pinochet stated that the idea of a coup d'etat is absurd. The opposition wants to hold power, but the day I step down I will do it in a way appropriate for a man who has been sacrificing himself for the good of Chile, President Pinochet told the magazine COSAS.

Commenting on reports that his government is dejected, the head of state said that those rumors are being spread by heartless people. There is plenty of evidence to believe the opposite. He added that they forget that there is a large number of loyal people who side with their president.

COSAS asked Gen Pinochet whether he intends to stay in office until 1989. He responded: Yes, I am determined to stay in office until 1989. I am determined to fulfill all the provisions established by the law and the Constitution. Such a decision would only be changed if I became disabled, and I trust in God that this will not happen. Asked whether he would run again as a presidential candidate, Gen Pinochet stated that he has never said this because it is the people who will elect their leader. It is up to them, he said.

During the interview, Gen Pinochet reasserted statements he made yesterday that his government is not a tough dictatorship but a lenient one since Chile enjoys a state of law. He said: There is freedom, there is participation, the authorities are civilians and military men who are subjected to the laws. Commenting on the most painful mistake committed by his government, President Pinochet responded: There has been little communication. Public opinion should have been more motivated. Public opinion should have been kept more active.

Pinochet criticized the opposition politicians for their boundless ambition and ruled out the possibility of inviting them to lunch, because I only invite my friends to sit at my table. I will give them an audience when their turn comes. Gen Pinochet stated that for that time to come it is necessary to wait until the law that approves the political parties is enacted and the leaders of those political parties are truly representative, because now there are just leaderships without support.

Concerning the impetus Cardinal Juan Francisco Fresno has given to the political leaders who are endorsing the National Accord for a Transition to Full Democracy, Gen Pinochet stated that he is concerned over the fact that the prelate's quote may be used as an instrument to harm his high position and the entire church. Gen Pinochet stated: I have always felt firm, although my enemies have been throwing me out since 11 September 1973. The opposition wants to hold power. They want me to step down, Pinochet said. I am an obstacle. I am not unaware of this fact, but I am struggling for my country so that its liberty is strengthened and our children do not become slaves, the head of state added.

In conclusion, Pinochet reasserted his firm anticommunist convictions, stating that Marxism is a scourge that turns man into a slave as has happened in the past and that, unfortunately, Marxism dominates the world. That is the most serious fact. Some democratic countries do not realize that they have been losing ground. At the conclusion of World War II, they lost half of Europe and the rest is suffering from the communist epidemic. One only has to read the newspapers and magazines.

These were the statements Gen Pinochet made to the magazine COSAS.

EMBASSY IN NICARAGUA CLOSED FOR COST REASONS

PY031420 Santiago Domestic Service in Spanish 1100 GMT 3 Sep 85

[Text] Foreign Minister Jaime del Valle has stated that the Chilean Embassy in Nicaragua will be closed as a result of the redistribution of expenditures. The foreign minister added that this does not mean that diplomatic relations have been severed. He explained that this measure was decided some time ago for the sole purpose of channeling those embassy expenditures to other areas of higher priority. The closure of the embassy will be effective at the end of this month. After this, Chilean Ambassador to Venezuela Carlos Costa-Nora will act as concurrent ambassador to Nicaragua.

PRESIDENT SAYS STATE OF EMERGENCY TO CONTINUE

PY052004 Paris AFP in Spanish 0456 GMT 4 Sep 85

[Text] Cusco, 4 Sep (AFP) -- Peruvian President Alan Garcia said here tonight that the demilitarization of the emergency zone is a matter of military and police operational strategy that in the final analysis depends on the course that subversion takes. The chief executive indicated that the emergency zone has not been pacified to the point of ending military operations by subversive units. He added that unfortunately, citizens have been and continue to be killed, and on some occasions there have been cases of misuse of authority, which must be investigated. The president stated that for the time being conditions are not right for lifting the state of emergency, but the government is doing its best to pacify the country. He said that it will make every effort to this end, not only in the military field but also with regard to social and economic development while keeping the door open to dialogue and understanding.

GARCIA DISCUSSES ECONOMIC, POLITICAL ISSUES

PY052238 Lima Cadena Panamerica Television in Spanish 0300 GMT 5 Sep 85

[Interview with President Alan Garcia by unidentified reporter at the Cuzco Government House on 4 September -- recorded]

[Text] [Reporter] A U.S. mission representing the international banking system has arrived in Lima and has met with the prime minister to discuss the Peruvian debt. Does this mean that the Peruvian position toward the debt issue has been reconsidered?

[Garcia] No, but we have never refused to hold a dialogue. Our creditors want to hold talks in order to see how we will implement our repayment formula based on 10 percent of our export earnings. Some of our creditors have sought to help us increase our exports through their commercial offices, so that the funds with which we will repay our debt -- 10 percent of our export earnings -- will be greater. In my opinion, the fact that some creditors have begin to hold talks with us is very positive. We will continue to hold talks with creditor countries on a government-to-government basis and also with the international financial agencies like the Agency for International Development and the IDB. This is a very positive step, in line with our decision to implement our economic program without negotiating with the IMF, and to repay our debt with no more than 10 percent of our export income.

[Reporter] Mr President, during your visit to the United Nations, where you will address the debt issue, are you likely to meet with representatives of the IMF or the international banking system?

[Garcia] I never refuse to meet anyone. I can speak with anyone because that is my duty as president. However, any talks should take into account the position that we have adopted, because of our economic situation and because of the debt burden, which marks the difference between the poor and the rich. Therefore, if I had been in Lima, I, too, would have met with the delegation that has just arrived to tell them about our objectives and our decisions regarding the debt.

[Reporter] Mr President, what is our economic situation following the first measures enacted by your administration?

[Garcia] There is a positive picture, because we have begun to control inflation, although this does not mean it is under complete control.

We should not be overly optimistic. The inflation rate has dropped over the last few weeks, primarily because of the Peruvian people's cooperation and the drop in interest rates. Interest rates are a key factor for production costs. If interest rates drop, there is no reason prices should go up; that is why some prices have been frozen. We have also asked some monopolies to reduce their prices. I believe prices can be reduced even further, because some products that are vital for the Peruvian people have huge profit margins. I believe that all this, plus the spirit of cooperation that the government's moralization campaign has received, reveals that there is a new attitude among our people. As I said in this city's main square last night, we have to strengthen our willingness to struggle, and we have to control interest rates, exchange rates, profit margins -- so that they are not excessive -- and salaries -- so that they are not established at very low levels or as a result of speculation and disorder. Summing up, we have to put our economy under control. I believe there are positive sides in our economic situation. Obviously, some problems have arisen. We have faced difficulties when trying to dedollarize the economy; that is, when we tried to turn the Peruvian sol into the master of our economy. In fact, dollar owners have sold their currency to the banks. As banks paid them in soles, the sol supply shrank. We confronted this problem at the end of August. As a result of the dedollarization policy, the sol has regained its sovereignty in our country, and many people have converted their dollars into soles. This has given rise to a reduction in the money supply and to the problems with which all of us are familiar. This difficulty was also caused by the lack of foresight, because a large number of bills should have been printed several months ago. However, this is what we can call the negative aspect of the positive side of the government plan, because as dollars have been converted into soles, the Central Bank has run out of bills. But we will solve this difficulty in the next few days, and I can tell the people that no one will lose a single cent.

[Reporter] Will new economic measures be enacted to solve this problem?

[Garcia] No. What we have to do is print more bills. This will not be an emission without proper backing. We also have to improve our system of Central Bank checks or certificates, so that checks for lower amounts may also be available. One million-sol checks have been issued, while in my opinion it would have been better to issue 50,000 or 100,000-sol checks to facilitate commercial transactions.

[Reporter] Mr President, during your tour you have mentioned two words: patience and impatience. Apparently, there is impatience in Lima about the creation of a peace commission. Two days ago, a high-ranking official of the penitentiary system said he had talked with political prisoners at Fronton Prison. Do you admit that this means that the APRA [American Revolutionary Popular Alliance] government has political prisoners in our country?

[Garcia] No, there are citizens charged with involvement in terrorism, which is a common crime based on death and violence. I believe this is a common crime, because that is what the Constitution sets forth. There are some cases in which legal proceedings have been slow. There are also many citizens, some people say there are more than 100, who have been imprisoned on groundless charges. Their legal situation is being studied, because some of them have been imprisoned for a long time on charges of involvement in crimes that they have not committed and they have not been brought to trial yet. It is necessary to speed up the judicial branch, because I believe that only 17 out of every 1,000 detainees have been sentenced. This is unacceptable. Therefore, there are no political prisoners in Peru. There are those who are involved in terrorist actions, which is a common crime. A peace commission will be created. As I said on 28 July, the commission will study the legal situation of the detainees and will begin a dialogue through which those who have chosen the path of death and violence may rectify their ways.

PRESIDENT DELIVERS STATE OF NATION SPEECH

PA021321 Mexico City XHDF Television Network in Spanish 1704 GMT 1 Sep 85

[State of the nation speech by President Miguel de la Madrid at the Legislative Palace in Mexico City -- live]

[Text] Honorable Congress of the union, Mexicans: I come before the honorable Congress of the union in fulfillment of the laws of the Constitution to report on the state of the administration. I have presented a detailed written report and corresponding supplements, and on a later date the secretaries of state will present broader and more detailed reports of the secretariats they are in charge of.

Today we initiate the 53d legislature, with the participation of the nine political parties that represent the main ideological trends in the country, and with a considerable number of social leaders whose presence strengthens popular representation, the debate, and Mexican democracy. The Mexican people have confirmed, with their vote, the political pluralism that exists in the nation.

After 3 years of intense work, under very complex circumstances, this is an appropriate occasion to give a brief review of the path we have followed, the problems we have faced, and the actions implemented. We must take time out to consider the progress made, the deficiencies and failures, the new challenges, and the changing conditions, our political decisions, and the course that future tasks must follow.

In December 1982 I presented a government program that resulted from the commitments of the electoral mandate. I promised to vigorously confront the critical conditions of our economy, and of the nation's social atmosphere as well. I offered to face the emergency without hesitation, and to act responsibly and firmly to unite the collective effort in a grand movement of national renewal. At that time I called on all Mexicans to join this great task, aware that there would be no foreign aid or magic solution to take the place of our responsibility. I proposed to the nation an immediate program of economic restructuring to combat inflation in depth, protect employment, and recover the bases of sustained, efficient, and equitable development.

After a thorough analysis of the country's problems and a process of dialogue and discussion through the national system of democratic planning, we established strategies, programs, and goals for the main aspects of national development. These were united in the 1983-1988 National Development Plan and in sectoral and regional programs that have emerged from the plan. In the national planning system we outlined the structural changes the country needs to give its growth process a new dynamism. Our actions are guided by revolutionary nationalism -- a genuine product of our evolution, and the force that unites Mexicans -- so that we can subsist as a free and sovereign nation, and lead social change through viable and efficient options.

Today, I can tell the Mexican people that our sovereignty, liberties, constitutional order, and the country's institutions are intact despite the difficult internal and external conditions we have experienced. Beginning with the concept of integral democracy established in our Constitution, we committed ourselves to face the crisis and make changes based upon democratic procedures and laws. This commitment demands that we base political power on the consensus of the majorities and respect the rights of minorities. It also demands that we promote the greater participation of all the groups and individuals in the various national processes, not only in electoral affairs, but in economic, social, and cultural tasks, so that in practice we will exercise our concept of integral democracy.

Following the ideological line of the Mexican revolution, I promoted important constitutional reforms regarding economic and social development, state leadership, mixed economy and national planning, integral rural development, the right to health, and constitutional bases of the responsibility of public servants in the administration of the government's economic resources. Among these constitutional modifications a deep municipal reform stands out. We have respected the Mexican's liberties and maintained social peace. We have strengthened the equilibrium and collaboration of the branches of state within a framework of mutual respect.

In both chambers the issues of most interest in the country are freely debated. We must point out the Congress' and especially the Senate's increasing participation in our foreign relations. There has been a clear strengthening of the judicial branch, with the improvement of the conditions under which it works, exercising its powers with the independence established in the Constitution.

Federalism has been strengthened through an unprecedented increase in state and municipal resources and these sectors' active participation in great national tasks. This has helped considerably to control national problems. The government has fulfilled its duty of informing the public, in a timely manner and in great detail, of public actions through the Congress of the union, the media, and many channels of dialogue with diverse groups in the country. My government has maintained a particularly respectful dialogue with the parties, broadening the minorities' scope of participation, and that of the different ideologies and groups that coexist in our society. Mexican democracy is free and open, and rejects any option of uniformity that could lead to authoritarianism.

Within the framework, we have carried out electoral processes throughout these 3 years in keeping with the normal calendar and within the constitutional order. Elections, for the most part, have been carried out peacefully and in an orderly manner. The political parties have developed vigorous campaigns, and national problems are being discussed more heatedly. Political liberties have been exercised without restraint, and all of the groups in the country have expressed their views.

During the past elections in July, nine parties registered candidates in the different races. We must acknowledge that the electoral process still has failings that we must correct, but also that these failings do not invalidate its general legitimacy. Nevertheless, those errors should not be magnified as a tactical weapon because censorship as a strategic weapon discredits the nation of which we are all a part. Let us all raise the level of the political struggle because our people deserve this, as well as encourage greater citizen participation.

To attend to strong popular demand, we have implemented substantial improvements in the administration of justice, and carried out a broad national public security program to cleanse, modernize, and professionalize the police forces. We have acted in an unprecedented manner in the campaign against drug trafficking, and we have also worked on the prevention of drug addiction and rehabilitation of those who suffer from it. Moral renewal has been a permanent commitment and an unchanging rule of conduct. I know very well that there is still much to be done, but the tendency to deterioration has been reversed. We will persevere in the society's moral renewal. The maintenance and irreversibility of this demand depends on the nation.

An important part of our revolutionary nationalism has been our actions on foreign policy issues. Despite the uncertainty that prevails on the international panorama, and despite hostile and unfavorable situations, we have not varied our attachment to the basic principles that Mexico's history has established: self-determination of the peoples, nonintervention in internal affairs, peaceful solution of controversies, juridical equality of states, and international cooperation for development. These principles have guided and will continue to guide our country's foreign policy.

From the beginning of our government we also proposed a struggle for greater equality. I announced that my basic concern would be the satisfaction of the people's basic needs: food, housing, education, health, culture, recreation, and sports. I admitted, nevertheless, that the equalitarian society we hope for cannot be achieved with a weak, sick economy, that the requirement to achieve improved living conditions would be to improve the economy and recover the bases of a firm, sustained growth.

Despite the limitations imposed on us by economic reality, social policies have not been ignored. During these 3 years, we have implemented actions that prevented a generalization of unemployment. Despite the negative impact of the crisis on real salaries, we have attended, as far as possible, to the just demands of the country's labor movement to protect the workers' buying power. We have also acted to elevate the peasant's standard of living, supporting their productive tasks, and promoting the fulfillment of their basic needs. An important part of our attention to social issues has been the maintenance and broadening of services such as education and culture. We have proclaimed and initiated an educational revolution. We have reorganized and modernized the public administration of health services to broaden their scope and improve their efficiency. We have progressed in the implementation of the urban development policy, promoting medium-sized cities, increasing the availability of water and energy in these cities, as well as housing, communications, transportation, and educational and health services, and we have formed territorial reserves. Ecological criteria also have acquired prominence in development programs.

We have not ignored important sectors of our economy. Although with severe financial limitations that prevent our progressing at a faster rate, we continue supporting the countryside and the fishing sector, improving and strengthening the energy sector, maintaining and broadening the industrial apparatus, extending communications and transportation, modernizing the trade system, and expanding tourism.

The structural change is strengthened by closely linking scientific and technological development with the needs of the national productive apparatus. We have not only protected, but promoted this sector, which is very important for our independence and development. The decentralization of national life has been a basic postulate and has received special attention from my government. In these 3 years we have advanced in the early phases of the transferenne to state governments of health and education services and in strengthening the free municipality. We have broadened and strengthened the Single Development Agreement [Convenio Unico de Desarrollo] which takes place annually between the federation and the states, and effective actions are under way to decentralize offices and federal responsibilities in the interior of the country, transferring decisionmaking and execution to the provinces. We have progressed in attending to the basic needs of the residents of the Federal District, keeping in mind the preferential solution of the poorer classes' problems. In the capital city there have been no spectacular projects, but essential services have been maintained and improved.

In the economic sector we have overcome emergency problems. The negative tendencies that could have led us to an even worse situation have been reversed. Inflation, which reached an annual rate of 117 percent in April 1983, decreased to 60 percent in 1984 and has had a cumulative rate of 26 percent during the first 6 months of 1985. Economic activity that stagnated in 1982 and decreased by more than 5 points in 1983 again grew in 1984 by 3 and 1/2 percent, and presents an analogous dynamism in 1985.

Thanks to the restructuring of a good portion of the foreign debt, we have overcome the suspension of payments since the end of 1982 and improved the country's international credit. The realistic management of the exchange policy has resulted in increased exports and tourism, and it has allowed us, once again, to have the foreign currency to import the necessary items to reactivate the productive apparatus.

In improving our economic accounts abroad, we have recovered our international monetary reserves, which as of yesterday amounted to $5.581 billion. We have progressed in repairing our national finances by reducing the 1982 deficit by more than half.

All of this has allowed us to protect the country's productive sector and employment. Nevertheless, the gist of our problems is in the complex internal and external economic situation. The economy, despite our efforts and some considerable progress, still has not overcome its difficulties. We have admitted that in 1984 inflation was more than anticipated, the reduction of the public deficit did not fully reach the established goals, imports increased beyond estimates, and the dynamics of exports weakened. The economy's growth, on the other hand, was three times the estimated goals, with benefits for the job sector, but exerting pressure on the price level and the balance of payments.

All of the above has complicated the conduct and execution of our economic policy. A worldwide crisis of unprecedented complexity in times of peace, the enormous transformation of Mexican society, and an economic problem more deeply rooted and resistant than expected makes rapid solution of the problems more difficult, and makes measures and actions insufficient that under other circumstances would have solved them.

All of this confirms the need to advance in structural change. Although many of the adverse phenomena of the international economy are beyond our control, we have not allowed the nation to be dominated by them. We have battled on every front. We have not surrendered to inertia or adopted timid solutions for the problems. From the beginning we stressed actions to face the emergency. Today, thanks to the progress we have made, we are in a different phase. Because of this we can propose to advance these basic changes without respite. Even if our productive structure is not yet solid, we have strengthened the country's institutions, and the nation's forces are intact. Mexico has worked very hard these 3 years, and our advances demonstrate that we are on the right path for the solution of the deep problems we are experiencing. We have not completed the task because total solution implies structural modifications over a span of several years. During this 6-year period we will establish the bases and the direction of the changes, and advance as much as possible without attempting to state that Mexico's history begins or ends now.

We are preserving and consolidating the many assets that several generations of Mexicans have provided. We are correcting recent and past errors, and we are creating new and better perspectives in the large-scale task of national renewal. We are a people with a history and a destiny. We know the path to take. There will be no obstacle to prevent the enhancement of the Mexican nation's greatness.

I believe in the principle of the division of power, which is to be interpreted as equilibrium and cooperation, rather than as confrontation, disunity, and paralysis of the government. I acknowledge the progress made and the fruitful work accomplished by the honorable Congress of the union. The executive branch has made an effort to meet its obligations toward the legislative branch scrupulously and respectfully by presenting the reports prescribed by the Constitution and the law. In compliance with Article 93 of the Constitution, all secretaries, the chief of the Federal District, and all prosecutors personally presented a report on their work to the Congress. At the request of the legislative houses, the secretaries of state appeared before legislative assemblies on 10 occasions to contribute to the best functioning of the legislative branch. Similarly, various executive branch officials appeared before the committees of both houses of Congress, and facilities were extended for congressional committees to inspect government projects and programs throughout the republic.

The executive branch fulfilled its promise to send its draft laws to the Congress, without going beyond 15 November. [sentence as heard]

I have fulfilled my constitutional duty of appointing ministers and magistrates of the federal courts, choosing jurists of well-known prestige, experience, and moral rectitude. The executive branch strictly respects the independence of the judicial branch, and takes great care to honor its rulings, even when these are adverse to the executive branch.

The federal and municipal systems are basic political tenets of our constitutional regime. They contribute to democracy and freedom, and to a more decentralized and fair development. With strict respect for their autonomy, communication and coordination with federative institutions have been strengthened within the framework of the Single Development Agreement, thereby giving a new stimulus to the federal system.

The municipal reform program is a deep-seated political transformation that we Mexicans of today have initiated. The amendments to Article 115 confer new powers and responsibilities on the municipalities, strengthening their political participation and pluralistic representation and increasing their treasuries to an unprecedented degree, which in turn enhances their capability to respond to the problems that fall within their purview.

The intention is to promote democracy from the first level of our government system and to have local communities participate in and be responsible for the protection of their interests. The town council is taking on the attributes that the constituent assembly wished it to have and that are required for the overall democratization of society and the decentralization of national life. The National Center of Municipal Studies provides dynamic and effective support for this process.

Mexico is a country that has elections continuously. From 1 December 1982 to date, 9 state governments, 29 local congresses, 1,935 town councils, and, recently, the Chamber of Deputies of the Congress, have all been renewed. The great majority of the electoral processes have been carried out with order and tranquillity. There have been incidents only in isolated cases, which have been resolved in accordance with the law.

Our electoral system provides for a broader presence of minority parties at the three levels of government. To date, there are 807 [minority] town councillors, distributed proportionately, and 149 deputies in the local congresses, in addition to the 100 federal deputies elected in July. Today, 82 of the country's municipalities are headed by parties other than the one that is responsible for national level government.

On 10 December 1984, the federal process to elect members of the Chamber of Deputies was initiated. The Federal Electoral Commission, made up of the representatives of the legislative and executive branches and of the political parties, prepared, carried out, and supervised the elections. Some half a million citizens participated in the electoral organizations. Their actions were supported by over 270,000 representatives of candidates and parties.

The 7 July elections were held in a climate of peace, even though minority groups had forecast violence. Electoral participation surpassed 50 percent of registered citizens, a level that was unsatisfactory, although it was comparable to the turnout in previous mid-term elections.

Defects and irregularities were noted in some electoral districts. When these were identified at the various levels of the process, there were the corresponding annulments and rectifications. The Federal Electoral Commission issued 225 certificates of majority, without a single challenge, and 70 were issued by majority vote. At the same time, five cases were remitted to the Electroal College for final resolution.

Mexico has a democratic system. Even with the defects and limitations that have been acknowledged and pointed out by the government itself, the facts show that it is relevant and functional. The problems that crop up, the elections that have been annulled, disputed, protested, and heatedly debated have to be weighed in the context of a social life of freedom and of the number of processes that have not been questioned.

The construction of democracy is a task that never ends, but one that we are determined to maintain and improve. The state has the obligation to protect the lives, freedom, property, and rights of all citizens, maintaining public order and firmly applying the law. The National Public Security Program falls within the general program for national renewal. It was drafted for the purpose of achieving the professionalization, moralization, and modernization of the organizations in charge of public security. The most significant advances have been made in the form of promoting legislation on police services and the establishment of state public security councils in all federative entities and in the political delegations of the federal district. These organizations, with the citizen's participation, will be in charge of directing and supervising the appropriate programs.

We must also note the establishment of police academies in most of the federative institutions. The process of canceling corporations that were improperly described as police organizations has continued in order to make the state solely responsible for safeguarding public interests and investigating crime.

I have acted resolutely in purging and restructuring the Judicial Police, the Federal District Prison, the Federal Security Directorate, and the immigration services. This activity will be permanent.

The government must be the first to comply with the social right to information. In May of this year, the state television system called Imevision was consolidated. The newspaper EL NACIONAL has been substantially improved, as has the operation of the National Radio Institute. The government of the republic respects and guarantees freedom of the press and the freedom to express ideas. The facts prove this statement.

Since the beginning of my term, I have reiterated the importance of demographic policies to the development of the country. Population and development are inseparable realities. To date, we are already more than 78 million Mexicans, and this implies growing demands as regards the direction and quality of our development. The population policy seeks to improve the quality of life of all Mexicans, and it influences the growth and geographical distribution of the population in line with our strategy of development.

With the greatest respect for the right of individuals and the freedom of couples to freely and responsibly choose the number and spacing of their children, we have been promoting a change in the procreative standards of the population. The growth rate of the population has continued to decline. It was 2.4 percent in 1984. This makes it possible to realistically contemplate a growth rate of 1.9 percent for 1988, which is the goal of the National Development Plan. However, the absolute numbers are impressive. From 1982 to 1985, our population will have increased by over 5 million inhabitants, which is more than the total population of many countries.

The National Program for the Incorporation of Women Into National Development has been actively promoted. As a result, advances are being made in the effort to convert into reality the constitutional guarantee of the legal equality of men and women.

We will maintain our principles and traditions in the area of political asylum, the protection of refugees, and humanitarian solidarity. Prominent in this regard is the program that protects our Guatemalan brothers.

Justice is a value that should be a permanent guide for social life and the actions of the state. An in-depth improvement has been made in the procurement and execution of justice, through overall juridical reform, reorganization of institutions, and improvement of the quality of public services and the personnel who provide them.

The executive branch has remitted to Congress more than 20 bills for constitutional and legal reform in this area, in line with the purposes outlined in the National Development Plan and in the National Program for the Procurement and Execution of Justice of the Federal Executive Branch approved on 17 January. My administration has carried out an in-depth organizational and functional modification of the country's attorney general and federal district attorney offices. To promote expeditious justice and to channel the sector along the lines of the policy of decentralization of national life, the system of circuit branches of the Attorney General's Office was established.

The consolidation of the career of civil servants in the area of the procurement and execution of justice has been continued by means of appropriate procedures for the selection and training of those employees, among other means. To fulfill our duty to our people themselves, in the first place, and, moreover, for reasons of solidarity with the international community, the Mexican Government is vigorously and effectively fighting drug traffic. It has done so continuously in successive administrative periods, and it will continue to do so without pause. Coordinated activities of the Attorney General's Office, the Mexican Army, and the national Navy, which are involved in the antidrug campaign, have continued. In addition, the deviations and the corruption that this crime generates have also been combated. In this area, Mexico is doing its part, and it trusts that the efforts of other countries that are facing this problem will be successful.

We have strengthened the mechanisms of cooperation with the Governments of the United States, Colombia, Venezuela, Ecuador, Peru, and Bolivia. Because of the international characteristics of these matters, we look with favor on the initiative to hold an international ministerial-level meeting within the framework of the United Nations for a thorough, in-depth examination of the problems that are a source of concern to the international community, and to propose and adopt effective measures to confront those problems. We emphasize our interest in concerted international actions that will make it possible to share experiences, outline problems, and join resources with dignity, effectiveness, and reciprocal respect.

The government of the republic is carrying out tasks of prevention and counseling in the area of drug addiction. Social participation is indispensable in this struggle for our people's health. To this end, from this same podium, I issued an appeal a year ago to all sectors of the community, particularly parents. There has been an increasing response to this appeal. The infrastructure for social participation now exists, as well as a program to define actions to prevent and combat this scourge of our times.

The moral renewal of society is a political demand of the Mexican people and a standard of conduct for my government. We have promoted a new legal framework to strictly regulate the authority of public servants. We have reinforced the laws that govern the process of granting government contracts and making government purchases in order to promote honesty and efficiency. We have introduced stricter standards for the use and exploitation of public resources and property. We have demanded sobriety and dignity in the republican [as heard] exercise of government functions. We have forbidden nepotism. We have modernized the system for controlling the management and evaluation of public administration. We have reduced the legal limits within which officials can receive gifts. We have begun a program of simplifying administrative and government procedures to give better service to citizens and increase the efficiency of the government apparatus. In addition, the penal option has been exercises when there has been sufficient evidence of wrongdoing.

The overall system for the control and evaluation of federal public administration is in force in all branches and organizations of the parastate sector, in order to support the budget and forestall improper use of public resources. This system, which is coordinated by the secretariat of the Office of the Comptroller General of the Federation, manages the instruments for the control and supervision of the public sector and has helped to promote order and efficiency in the state administrative apparatus and thereby prevent deviations or dishonesty.

The system of complaints and denunciations is constantly being improved. The importance of attention to the complaints of suppliers and contractors in bidding, purchase contracts, and public works should be noted. The program for the administrative simplification of the federal government has been placed in effect. All branches are participating. To date, it has been possible to simplify 1,825 procedures in order to simplify and shorten paperwork in various public offices.

In the past year, we have vigorously regulated public works, as well as purchases and real estate. The public works law was modified and new regulations were formulated. We also issued the law on purchases, leases, and extension of services, and modified the general law on national property.

Without failing to realize that much remains to be done in the area of moral renewal, particularly in the area of public security, I have grounds for vigorously rejecting the denigrating and slanderous opinion of some pessimistic or biased persons inside the country or some ignorant or ill-intentioned persons abroad who seek to portray the Mexicans as an essentially or generally corrupt people. The great majority of the Mexican people possess and exercise great moral virtues individually, in the family, on the job, and in social life. This assertion also applies to the majority of public servants. Like all societies, we have crime and corruption but, observing these phenomena in the rest of the world, we have no reason to flay ourselves or to accept the defamatory campaigns that seek in vain to undermine our efforts or to weaken our institutions.

Because of their popular origin and their role in the creation of modern Mexico, the Armed Forces are complying with the historical will of the Mexican people. In participating in innumerable feats alongside the people, the Army, Air Force, and Navy have demonstrated their loyalty to the institutions and their permanent seriousness in fulfillment of their duty. In the tribute that we have been paying to the symbols of the fatherland since 4 February 1985, the Armed Forces are playing the role of guardians. With these activities, we are commemorating two fundamental events in our history, with the extensive and enthusiastic participation of society throughout the national territory.

In conformity with the concepts of military strategy outlined in the section of national security of the National Development Plan, the Mexican Army and Air Force have continued to strengthen and update their programs in the areas of laws and regulations: education, operational, logistic, and administrative systems, restructuring of units and branches, strategic plans, assistance to the civilian population and their authorities, combating drug traffic, and other activities designed to contribute to the well-being of Mexicans.

For its part, the Navy has continued to carry out activities of vigilance and patrol of our coasts, territorial sea, and exclusive economic zone. In this way, it is fulfilling the goal of defending the integrity, independence, sovereignty, and resources of the nation in the area within its purview. Special mention should be made of the effort of the Armed Forces to develop their own technology as applied to equipment and weaponry.

Foreign policy is an extension of the nation's political life. In the past 3 years, the effort made by the government in the international arena has been consonant with the nation's essential interests. We have acted with serenity and firmness, with independence and dignity. The government of the republic will maintain this position without yielding, because it reflects the country's history and interests.

Because of its historic experience, its geographical location, and its political and economic importance in the world, Mexico is obliged to participate actively in international affairs. This is an inescapable fact. At present, for example, the economic crisis would have had even more harmful effects on the country if, concentrating on our concern with our internal problems, we had decided not to face them within a framework of international agreement. At the same time, we cannot dismiss the opportunities that the foreign arena offers to consolidate an international and regional political climate that will promote a strengthening of our sovereignty and free self-determination.

Mexican nationalism reaffirms our values and our identity, but it does not imply autarchy. It is defined in the search for genuine communication with other peoples without hostility or exclusivism. With the United States, we have sought a relationship that acknowledges two irrefutable facts: the proximity and the diversity that exist between the two countries. The interdependence generated by proximity and the asymmetry of development between the two peoples demand mutual respect, respectful treatment, knowledge and understanding of one another, and constant goodwill for broad cooperation.

To the south, Central America is another vital chapter with regard to our interests. That is why the Mexican Government has persevered in its search for just and viable solutions to the conflicts affecting the region with Colombia, Panama, and Venezuela for almost 3 years. We aspire to the establishment of a climate of peace, safety, and development in these areas close to our border. Violence, disruption of order, and anarchy will produce harmful effects in all the Central American countries and beyond their borders. The United Nations, the OAS, and the overwhelming majority of individual countries have reaffirmed their express and firm support of the Contadora Group's efforts. We are also encouraged by the recent creation of a support group that includes Argentina, Brazil, Peru, and Uruguay.

However, the solution of the conflict demands the active goodwill of the five Central American governments and the equal concourse of the nations with interests and ties in the area. Neither the Contadora Group nor any state can assume a responsibility that only concerns those who are directly involved in the conflict. Issues pertaining to the future political, economic, and social development of the region and which are therefore of utmost importance to Mexico are being discussed throughout Latin America. As was said in the times of Bolivar, the fate of our consciences as a community of nations and perhaps the possibility for genuine integration and the attainment of sustained progress for our peoples are at stake. That is why we have contributed actively to invigorate regional solidarity and cooperation to allow the successful meeting of the severe challenges of the present times.

With the Cartagena Consensus Mexico has joined its political efforts to those of 10 other Latin American countries to seek effective answers to the foreign debt problem that burdens all the region's economies. We have insisted that the solution of this problem must be linked to the indispensable reactivation of foreign trade and financial resources for development. We have also reiterated the need for fresh financial resources that will allow growth and payment. Therefore, it is necessary that an international dialogue between the representatives of debtor and creditor nations, private banks, and world financial institutions be held as the path toward formulas that will acknowlege shared responsibilities and conciliate the various interests to make possible the development of a dynamic world economy, the fruits of which will be distributed equitably.

In overall terms, we have significantly increased our political communication and economic cooperation ties with the Latin American countries over the past 3 years. We have expanded this effort to include countries of other regions to expand important opportunities for cooperation. [applause]

The state visits that I have made this year to Yugoslavia, India, Spain, the United Kindgom, Belgium, the FRG, and France fall within the effort to diversify and expand Mexico's relations with other countries. These visits permitted us to strengthen political agreements, reinforce negotiations, and promote trade and an effective cooperation in the financial, industrial, technological development, and cultural fields.

In the past year we have received in our country the presidents-elect of Panama and Brazil, the Nicaraguan head of state, the prime ministers of Czechoslovakia and Belize, and the presidents of Colombia, Algeria, Panama, Argentina, and Ecuador. The government has promoted the formulation and implementation of industrial complementation, scientific and technological cooperation, financial cooperation, and cultural exchange projects with several countries.

In another area, we have given our unlimited support to international organizations as the suitable forums to promote, through dialogue and negotiation, the solution of the problems that affect mankind. We know that such institutions can be improved and that their deficiencies and limitations are as much the product of the insufficient political will of their members as of their structural or organizational defects.

The 40th anniversary of the United Nations is a good occasion to evaluate the functioning of the international organizations and to adopt measures and strategies that will revitalize and strengthen them. For these reasons, I will request from this honorable congress the authorization to attend the next UN General Assembly to ratify our diplomatic stand in favor of international peace and cooperation in order to contribute to the solution of the grave problems of the world.

In addition, we have participated in other relevant multilateral efforts for peace, disarmament, and international economic cooperation. The meeting on disarmament that gathered the heads of state or government of Argentina, Greece, India, Sweden, Tanzania, and Mexico in New Delhi in January stands out among those efforts. The international action to halt the production and deployment of nuclear arms as well as their testing must urgently be intensified. The future of our civilization is threatened by the nuclear arms race. At the same time and to the grave detriment of the developing countries, the world economic crisis is becoming worse. To a great extent, this is due to the multimillion financial, scientific, and technical resources that the big powers invest in the nuclear adventure instead of promoting economic production and the social progress of their own countries and the world. Unfortunately, even in the developing countries the military expenditures have also increased.

Since I took office as president of the republic, I clearly expressed my government's decision to restrain and overcome the country's economic crisis that threatened to lead it to a situation of chaos. I reiterate the economy policy guidelines that I proposed at that time. We continue to face the same problems although we have passed through the most grave moments. I have admitted advances and pointed out deficiencies. The advances give us a more solid base in this hard battle to confront the problems. The achievements in the areas of inflation, public finances, and foreign trade have still been unsatisfactory. Therefore, radical actions are needed in reorganization and structural change.

In 1984, inflation was higher than programmed since from 80-percent inflation in 1983 it was only reduced to 60 percent. This was due to several reasons. It was mainly affected by the increase in costs derived from the rise in some public rates and private sector prices at the beginning of that year and by financial costs near the end of the year. That level of inflation, which was supported by the excessive protectionism that permitted high prices due to the lack of competition, increased as a result of the rapid increase in the demand caused by the recovery of the private sector expenditures and a greater public deficit. Nevertheless, inflation has continued to decrease and we have prevented it from shooting up again.

The deficit goal was not totally achieved since it was only reduced to 7.2 percent of the gross national product instead of 6.5 percent, a .7 percent difference. The higher deficit than programmed was due to both higher expenditures and to lower revenues. Although the revenues increased, the increase has not been enough due to the internal and external economic circumstances. In the area of expenditures, the investment and operating expenses were in line with the amounts authorized by Congress. Nevertheless, they were not reduced in sufficient amounts or at the right time to confront an important increase in the payment of interests derived from some underestimations and persistently high rates. The high public debt, both internal and external, imposes a high burden on the budget since 37.5 percent of it goes to pay the service on the debt.

Although we continue to grow in the export and tourism fields, we lost degrees of competitiveness due to an inflation rate higher than foreseen and continued inefficiency in several productive fields in both the private and public sectors. Once again, our industry, which has traditionally been oriented to preferentially satisfy domestic consumption, demonstrated that when domestic consumption increases, exports decrease.

The conditions of the international economy have not been favorable. The prices of the raw materials that we export have dropped: petroleum, natural gas, minerals, agricultural, livestock, and fish products, and textiles. They represent 70 percent of all the exports of the country. High interest rates have persisted, even though they have begun to decrease. The availability of new financing has decreased and the drop in the growth rate of the industrialized economies and the protectionist attitude of the large world markets have been unfavorable to us. Today, the effects of this external adversity are immediately felt, unlike in other eras when the impact was delayed and spread over time.

Although these adverse phenomena are beyond our control, we have not allowed them to dominate the country or its economy. Both internationally as well as in our bilateral economic relations with the most relevant countries, we have maintained an attitude of permanent negotiation, particularly in the fields of petroleum, foreign debt, and foreign trade. The recovery of spending and private investment as of September 1984 was noticeable. We had not confirmed the extent fully until January 1985. This, added to the dynamism of the nonpetroleum exports, caused a growth of our economy of 3.5 percent, as I mentioned previously.

However, in October we had anticipated that this growth rate would be only half as much. This rate turned out to be too high following the reduction of more than 5 points in 1983. A larger deficit and greater private spending combined to exert strong pressure on the available financial resources, causing an increase of interest rates within the national financial system. In these circumstances, we have been adopting several measures to correct negative trends and to avert larger relapses.

We reduced public spending in February, March, and May. We modified the interest rates and foreign exchange fluctuation in March. We reduced the price of oil in February, June, and at the beginning of July. On each occasion we recognized and explained the problems.

We did not intervene in the free foreign exchange market in June and July because this could have seriously hindered our international reserves for the benefit of speculators. We recognized on three occasions a reduced foreign price for our oil. Mexico's responsible attitude contributed to prevent a dramatic and concentrated drop in international prices. In June, we lost half of our oil market while we were awaiting the results of the OPEC meeting in July. It was a deliberate attitude which prevented an oil price war. In July and August we recovered virtually all our clients and sales volume when we adjusted our export prices to the reality of the market.

With the prevailing inflationary spiral and in view of the reduced availability of foreign exchange, we modified the type of controlled exchange to encourage exporters and to prevent new imbalances. Speculation has diminished considerably.

We also adopted decisions that accelerated the rate of the structural exchange. As a stimulus to exports and to support our consumers, we changed the instrument of protection for national industry, activating the replacement of the prior export permit with a tariff. This measure, which introduces greater competition into our economy, will help fight inflation.

The smaller oil exports, which signify a smaller income for the public sector and a persistently elevated deficit, led us to further redefine the scope of this sector. This measure, like the previous one, was announced in the national development plan. The circumstances prompted their establishment. In simplifying structures, we are not abandoning functions, responsibilities, or basic programs, nor are we weakening the state's economic leadership. We are simplifying administration and saving costs, rationalizing the scope of the public sector, while maintaining and strengthening its fundamental responsibilities of orientation, regulation, and promotion of the economic process, the production of strategic goods and services, as established by the Constitution, and attention to the fundamental social necessities. I recognize that they have been bitter and harsh measures. They provide no pleasure or comfort. On the contrary, they represent new challenges and demand more efforts. However, the responsibility of the government is to deal with the problems in depth and on a timely basis and goes beyond the quest for an ephemeral and misunderstood popularity. The interests of the nation and of the people are better served by recognizing and attacking the problems head-on.

With these actions we redirected the path of the economy outlined by our planning system. We have a strategy of development and annual goals which commit us further, but which also allow us to recognize the magnitude of the unforeseen circumstances. At this time of crisis, economic planning reaffirms its necessity and confirms the advisability of having it as a guide for permanent evaluation.

We maintain and reaffirm the strategy and the goals of the national development plan. We continue to advance in the objective of improving our public finances through a series of measures of revenue and spending, seeking to reduce the public deficit. There is no viable option for reducing it. We must adjust it to the real availability of financial resources. Otherwise, we will further nourish inflation, recession, and external imbalances. The Mexicans are dutybound to contribute to public spending proportionally and fairly, in keeping with the law. We have sought to increase the revenue capacity of the state by fighting evasion and by a series of substantial measures in matters of tax administration. We will redouble our efforts in this direction.

Keeping in mind the criteria of equity and so as not to harm the buying capacity of the workers, the tax tariffs were adjusted. Furthermore, to reactivate the economy and promote the growth of national production, we expanded tax incentives to all the enterprises that carried out investments with fixed assets, as well as to the construction of housing.

In matters of prices and tariffs, during the present year we have sought smaller increases in the prices of goods and services which have a greater impact on the costs of the basic consumer basket of the low income population. Nonetheless, we cannot freeze the revenue of the public enterprises in view of their increased costs, because in addition to weakening their financial stability we would be increasing subsidies and transfers, again increasing the overall deficit of public finances.

Public spending reflects the government's action to attend to social necessities. It must be adjusted to a regime of healthy financing. Therefore, and to reduce the deficit, we have made a substantial reduction of public spending in real terms. Public investment has diminished 40 percent and current spending is 16 percent. The definitive figures of the budget for 1984 show that in that year the total disbursements were only 10 percent more than was originally budgeted. This is viewed positively compared to the deviations in the actions taken with regard to the budget in previous years. In 1982 it surpassed 66 percent and in 1983 13 percent.

On the whole, the programmed expenditures were 5 percent less than was planned. In the central sector this concept of spending was even less than the original figure by 7 percent. The nonbudgeted expenditures, that is, the one referring to the payment of the debt and allocations to states and municipalities, was larger than budgeted by 17 percent. At the beginning of this year, in view of the path of power revenue, we faced the pressures resulting from the loss of oil income and higher interest rates. In this way, between February and July there have been reductions in public spending of approximately 850 billion pesos that affect both current spending as well as investments. In this area it has been necessary to suppress or postpone projects that in the current circumstances have less priority.

A severe process of restructuring the budget began with the onset of my administration. It consisted of the rationalization of administrative areas, the reduction of superfluous spending, the revision of transfers and subsidies, the regulation of acquisitions, and in-depth revisions of investment programs. The magnitude of the problems of the nation demand order and discipline in the administration of the resources of the people.

Recently, we have adjusted the number of subsecretariats, chief clerks' offices, comptrollers' offices, general coordination offices, and general administration offices of the federal government. This has been both to simplify administration and to make economies as well as to ratify the policy of rendering the government mechanism more efficient. In late December 1982, there were 690 of these units. With the modifications that were made during 1982 and 1984, we cut them back by 187, which is by more than one fourth. A parallel action is being conducted in the parastate sector.

On matters of financial policy, it is considered essential to increase the savings levels in view of the importance it and investment have in the recovery of the country's growth capacity. To increase banking assets, a policy of interest rates was applied that reaped real benefits to savers. It offered a broader channeling of resources for the public and private sectors. The federal government has obtained a substantial part of its financial requirements through treasury certificates. The actions undertaken to channel banking credit has sought to make the credit activities consonant with the priority actions of the economic and social strategy.

From January to June 1985, the result of the financing granted to social and private sectors increased 22 percent in real terms compared to the same period in 1984. In the exchange market, it became necessary by the end of 1984 to modify the fixed daily adjustment. Subsequently, adjustments were made to the foreign exchange fluctuations in the month of March, and later the free market became more flexible. Then on 24 July an increase was ordered in the controlled quotation to establish subsequently a regulated fluctuation that permits coping with variations in the rate of exchange with more timeliness as is determined by the evolution of our economy.

In late 1982, Mexico stopped servicing its foreign debt. In all, it totaled $87.4 billion, representing almost 53 percnet of the GNP. The due dates were exceedingly short. According to the terms, 46 percent of the debt had to be paid within 3 years, and 27 percent had to be paid in 1983. Under such conditions, the foreign debt was unpayable. In view of such a critical situation, we immediately had to begin negotiations to achieve a restructuring of our foreign debt, within a plan negotiated with the IMF and the governments and central banks of the 42 creditor countries. This was necessary to obtain an arrangement with the 634 banks that loaned us the money. Thus, Mexico began making inroads in dealing with the serious foreign debt problem of the developing countries, under circumstances without precedent or experience for the debtors or for the creditors. The negotiations that have been agreed on to date have restructured the payment terms, especially the due dates, for $48.7 billion and have involved the due dates the public sector had contracted with the foreign commercial banks between 1985 to 1990. As a result of this restructuring, we were given 14 years to pay, and costs have been lowered. These were the best terms that could be obtained on the international market.

Moreover, we have substantially reduced the growth of the country's net foreign debt in the past 2 years, because it rose to $7.083 billion as compared to $24 billion between 1981 to 1982. The foreign debt problem has eased, but it has not been definitively solved. The interest payment is very high, and it entails risks in the face of possible losses in foreign exchange revenues from exports or from tourism, or in the face of possible increases in the interest rates. Therefore, on the domestic front, we must make an extraordinary effort to export and to increase foreign tourism, and on the international front, we will continue negotiations to obtain better conditions to pay the foreign debt and the resumption of financing within sensible limits. It will also be necessary to conduct bilateral and multilateral negotiations to obtain greater access on the international market for out exports and to defend the prices of our raw materials. I do not believe that these problems will be solved by confrontation or by repudiating contracted obligations. We shall insist on pursuing a path of dialogue and negotiation and on seeking formulas that will fairly and pragmatically serve the true interests of the parties of the international economic system. We will draw attention to the fact that we must grow in order to be able to pay. We will not desist from this effort.

We have concluded the main points of our financial system's reorganization. We have paid practically all the debts derived from the banks' nationalization; paid all the former shareholders, and sold assets that were not necessary for the banks and credit companies to service the public. The new legislation approved by the honorable congress is a fundamental move forward to reorganizing the financial system. We have also advanced toward the achievement of a rational banking system by continuing with the institutions' activities and strengthening the existence of regional, multiregional, and national banks. Thus, the 60 institutions which operated late in 1982 have decreased to 19, and that consolidation will lead to greater efficiency and stability in the banking system. Mexico cannot isolate itself from the international economy. The Mexican economy's external sector continued to show favorable results during 1984. The trade and service exchange presented a positive balance for the country amounting to $12.8 billion for the second consecutive year. Nevertheless, starting from the second half of 1984, a weakening tendency has been registered in the commercial balance with other countries because of an increase in imports and a decrease in exports.

The government of the republic reasserts its priority of supporting nonoil exports. Consequently, a realistic type of exchange will be maintained and export activities will be encouraged. Within this context, the program for an overall development of exports was announced and started during the year; this includes the simplification of its administrative procedures. A relevant part of this policy was implemented late in July, when the process to obtain import permits was updated and replaced by a modern and efficient customs system. Nowadays, 7,168 out of 8,077 articles subject to the general import tax no longer require the corresponding permit. The new system rationalizes and simplifies the procedures, and seeks to link the country's production activities with the commercial activities and processes for industrial reorganization that are being adopted at the international level. This implies promoting the modernization of our industrial installations and the improvement of their quality and efficiency levels, in order to compete in foreign markets; this will eventually favor the Mexican consumer, also. Because our oil export revenues have decreased, it is necessary to bolster nonoil exports as one of the most important elements of our structural changes. We will not abandon the policy to replace imports, but we will not encourage inefficient production lines that punish national consumer with high prices and low quality either, because these prevent a competitive production for export. The challenge is great and complex, but we are capable of countering it; I trust the talent and initiative of Mexican workers and businessmen.

Public enterprises have been one of the most effective instruments with which the Mexican state has fulfilled its economic and social goals. Weighing the positive and negative aspects, we ascertain that the balance has proven positive for the country's development.

Nevertheless, we are fully aware that the parastate sector has grown in a disorderly way throughout the years, instead of following definite plans. The state promoted an assortment of enterprises, which were unnecessarily maintained under its control, and bankrupt private enterprises were absorbed under the incorrect argument of protecting the people's jobs even in the case of projects that were not viable. Paradoxically, the excessive multiplication of public organizations weakened the state, rendering it financially unbalanced and limiting its capacity to adequately handle its most important duties.

Consequently, the current administration recognized the need to purge the public sector in order to reorganize and strengthen it, thus consolidating the state's capacity for economic control. Seeking to specify the state's responsibility, Article 28 of the Constitution defines its strategic and exclusive purviews: oil, basic petrochemistry, radioactive minerals, and generation of nuclear energy, electricity, railroads, communication via satellite, mail services, telegraph services, radio-telegraph services, printing of paper money through a bank, and banking services.

An in-depth improvement of the federal public sector's size and coverage has been started since the beginning of this administration, with the intention of giving it the appropriate dimension in accordance with its legal responsibilities and of giving a selective and priority promotion to its development. We have ordered the merging, cancellation, transfer, or sale of decentralized organizations, state-owned organizations, and trusteeships that include 482 nonstrategic or priority enterprises out of the 1,155 enterprises that integrated the public sector late in 1982. This process is aimed at strengthening the state's capacity in highly important, strategic, and top-priority areas, removing excess baggage and dead weight that had turned the parastate structure as a whole into a financially unbalanced organization. We will thus continue to strengthen the state's economic control, our mixed economy system and social pluralism, which is not compatible with the state's control of civilian society or a private control of strategic areas in our economy. We will continue with this policy, we will continue to purge the parastate sector to avoid taking over more than we can handle. It is necessary to increase our public enterprises' production, balance their finances, adjust their personnel, reduce subsidies in their favor unless strictly justified, improve their technology, abolish obsolete production lines, avoid bribes and corruption, restrict their directorate personnel to a minimum, maintain and improve the quality of their products, and make their administration more efficient.

In these troubled times, we corroborate the advisability of having a planning system. During the presentation of our national development plan, I specifically pointed out that this avoids an inflexible policy and does not advocate unmanageable debts. I asserted that the situation demands flexibility so that we may adapt to changing and unpredictable circumstances, or even correct any implementation errors, within a clearly established framework of principles and goals. During the period comprised in this report, we prepared the plans for overall rural development, the federal government's dispensing of justice, development of our northern border, actions for intermunicipal actions for the development of the Soconusco region and the Chiapas coastline. This completes the plans for reorganization; we have now entered the most difficult plan: the efficient implementation and evaluation of the pledges derived from the plan and the subsequent programs. I know beforehand that we will not fully fulfill all our goals; however, some will be probably surpassed. Development plans are, above all, a guide for our actions and not a precision instrument -- particularly during uncertain times. The development policy's ultimate goal is the generalized improvement of the population's welfare.

Three years ago the crisis was seriously affecting employment. Not only was the population entering the job market not being absorbed, but many of those who were working lost their jobs. In 1982 open unemployment rose from 4 to 8 percent. If this tendency had continued, it would have caused a grave social problem. Job protection was included in the economic reorganization program to prevent massive unemployment.

This strategy managed to stop the worsening of the problem in 1983 and resulted in a modest recovery, as demonstrated by the fact that during that year the number of persons permanently insured by the Mexican Social Security Institute increased by 141,000. In 1984 population growth permitted the creation of new productive jobs. [durante 1984 el crecimiento de la poblacion permitio la creacion de nuevos empleos productivos] A reflection of this was the increase of close to 500,000 in the number of persons permanently insured by the Mexican Social Security Institute.

The recovery of formal employment has continued in 1985, thereby increasing the number of persons permanently insured by 202,000 at the end of July. In addition, the regional employment programs were continued in order to compensate for the insufficient generation of permanent jobs. The programs created 340,000 temporary jobs in 1984.

Special empnasis has been placed on the protection of wages and workers' consumption since 1983 in order to stop the damaging effects of inflation. With this objective, we have implemented programs to promote production, supply, and control of the basic package for popular consumption, protection of wages, and rural supplies.

The historic alliance between the working class and the government of the republic has remained unchanged. Based on revolutionary social principles, it is reaffirmed daily in the respect for the rights of our workers and in the plenitude of our system of government. Therefore, the permanent and frank dialogue with organized labor is continuing. Labor's responsible attitude helps to decrease inflationary pressure, which is a decisive contribution in the struggle against the deterioration of the standard of living and for the protection of jobs. The activity of the labor unions and the conciliatory intervention of the state have maintained labor-employer relations within the framework of the law and the productive effort. The flexibility and quality of the administration of labor justice has improved considerably.

On 28 February 1985 the national commission for the participation of the workers in company profits completed its principal activities by issuing a resolution increasing the applicable percentage on general profits from 8 to 10 percent. I acknowledge the attitude of solidarity of the business sector.

The federal government also increased the budget of Fonacot [National Fund for Development and Guarantee of Consumption by Workers] from 12.862 billion to 16 billion pesos. The Inforavit [Instituto del Fondo Nacional de la Vivienda para los Trabajadores -- Institute of the National Housing Fund for Workers] completed 50,000 housing units in 1984 and will complete 62,000 in 1985.

As a social right par excellence, education in the history of Mexico has been the synthesis and expression of the people's desire to achieve progress and the affirmation of national identity. At the same time, it has been an essential instrument for complete development. Since our establishment as an independent country, education has been demanded by the people and promoted by the most advanced political ideologies. Article 3 of the Constitution establishes this tenet and aspiration.

I take this opportunity to pay homage to a former collaborator who spent his life in the most noble causes of the homeland. Let the life and works of Jesus Reyes Heroles be an example for the present and future generations.

At the present time approximately 25 million Mexicans, almost one-third of the country's inhabitants, are registered or benefit from some educational service through the schools.

Due to the insistent demand for higher quality education, my administration postulated the educational revolution in response to a complex, critical, and urgent reality and as a dynamic instrument to renew educational concepts, methods, and resources. We have advanced in the education of teachers with the initiation of the programs for masters degrees in normal education, the spearhead of an integral system for the education of teachers. Improving the quality of education requires an improvement in the education and training of teachers.

Another important purpose of this revolution is the opening of access to educational services to all Mexicans, with special attention to neglected areas and groups. We have strengthened and expanded education in the rural areas. The policy of cultural integration directed toward the less favored groups has allowed us in the 1984-1985 school year to provide indigenous preschool education and elementary bilingual and bicultural education to 641,000 children and to give shelter to 63,900 students. The Ignacio Ramirez Scholarship Program has extended 93,000 scholarships to children of workers, peasants, and the popular middle classes. This program supports higher than average students with low economic resources, and is continuing without a budget cut. During the 1984-1985 school year we have maintained the expansion of preschool education. In primary education we have maintained the capacity to satisfy 100 percent of the effective demands. The textbook is an irreversible conquest of the Mexican revolution and the government's response to the constitutional imperative that primary education be free and compulsory.

This year we will distribute 93 million textbooks. We will continue to publish textbooks for our children, making a constant effort to update and improve their quality.

We have provided secondary schools education for 81 percent of all primary school graduates. In the period covered by this report, we taught 758,000 persons to read and write, which brings us closer to the goal of decreasing the illiteracy rate to less than 4 percent of the population over 15 years of age.

The national forum on basic education is under way. It will systematically collect the opinions of teachers, parents, and other social groups to provide statistics for the educational authorities concerning this cycle of education.

The system provided access to 317,000 students in middle technological education, 82 percent of secondary school graduates in middle higher education, and 80 percent of the graduates of middle higher education in higher education. The National School for Professional Technical Education, Conalept [Colegio Nacional de Educacion Profesional Tecnica], consists of 195 buildings distributed throughout the country, with 100,000 students enrolled in the school system and 27,000 in the training system.

According to the goals of the national education program, at the university level we have taken the initial steps for the mid-range establishment of a regional system of higher education that will include the decentralization of research. The policy actions of the university system are guided by respect for the constitutional mandate that establishes the academic autonomy of the universities.

A total of 1.22 million students are studying for masters degrees in universities and technological institutes. Of these, 33,800 are taking postgraduate courses. A total of 1,428,000 students are working toward their bachelor's degrees. The national system of researchers [sistema nacional de investigadores] was established in order to promote this activity and to relate it to the necessities of the country. So far, 1,360 researchers have received this distinction.

We must advance with our sights set on the technical and educational developments of the contemporary world. Therefore, my administration is determined to expand the use of electronic resources as a teaching aid. We have developed prototypes of microcomputers adapted to the needs of the students of the middle, middle-higher, and higher levels.

The United Nations declared that this year be dedicated to youth. Mexican youth has received our constant respect, encouragement, and support. It represents the present and future of the homeland. We are struggling to see that our youth is healthy, organized, and that it will give its best so that its innovative attitude will enrich our nation. The National Council of Resources to Serve Youth [Consejo Nacional de Recursos para la Atencion de la Juventud] has developed intensive activity that generated a nationalistic response from the Mexican youth.

The push to decentralize is an important strategy of the national education program. We began the decentralization and transfer of the operation of the basic and normal education services to the state governments. With the establishment of the corresponding coordinated services of public education, we have so far decentralized the services of 14 federative entities. In order to make the decentralization of the cultural services a fact, which is another postulate of the educational revolution, we are continuing to support the national programs of public libraries, cultural development of the border areas, and stimulation of arts and crafts and popular cultures. We have produced and disseminated educational and cultural programs through television, and we have promoted the publication of large printings of quality books at low prices, principally for the youth.

The Administrative Committee for the Federal School Construction Program [Comite Administrador del Programa Federal de Construccion de Escuelas] constructed 35,953 school rooms, shops, and laboratories in 1984. It is estimated that in 1985 it will construct 43,500 through its regular program and 11,000 through unique development agreements.

Education will continue to receive the highest priority under the government's actions.

In the last 2 years we have made important progress in feeding and nutrition by promoting the production of basic staples and a modern marketing system to supply the population with indispensable foods. This task is performed by several departments of the executive branch that are integrated and coordinated in the national nutrition program.

Health is a social right of the Mexican people. The economic crisis has not modified the priority that my administration attaches to the people's health. We have sustained the financial effort and maintained our determination to provide better and broader services. Now that it has been written into the Constitution, the right for the protection of health, and with its regulations properly established, we have promoted the establishment of the national health system through various but clearly defined strategies: the formation of the sector itself, the decentralization of the services to the federative entities, administrative modernization, participation of the community, and intersectorial coordination.

In 1983 it was ordered that the coordinated public health services become organizations decentralized by territory with operational autonomy and presided over by the local governments that agree to do so. In 1984 these services and those of the (?Inscoplamar) started being coordinated by the state executive branches so that they would be better adapted to the health needs of the federative entities.

The health services will be more effective if they are backed by the organized participation of the community. For this purpose we have established health committees and promoted the cooperation of the people in the construction of health centers and in the supervision of their operation.

In keeping with the commitment to make our society more equal, we have extended the policy of exempting the payment of recovery quotas [quotas de recuperacion] in rural areas and made their collection more flexible in urban areas in order to benefit the population with low resources.

The consolidation of the process of health programming and cooperation of the public, social, and private sectors has permitted us to draft programs to struggle against narcotics dependency and alcoholism, both serious and old public health problems.

The health services for the population have extended their protection by a little more than 3 million users, through the establishment of units, strengthening of operational costs, and a more intensive use of the available infrastructure within the policy of total coverage.

It should be stressed that the network of clinics and hospitals in the countryside within the (?Inscoplamar) program attends to 14 million persons effectively. The assistance and social solidarity services have increased hospital capacity by 10 percent compared to 1983. This year we will pursue the construction of 27 hospitals. The Mexican Social Security Institute, an exemplary institute, contributes to the protection of the real income of the workers and zealously guards their health. The total number of permanently social security insured people went from 5.8 million in 1982 to 6.7 million by the end of this year, which represents a 15 percent increase. The population has increased from 26.9 million in 1982 to 32.5 million by the end of this year. The Social Security and Services Institute of the state workers is carrying out a program of administrative modernization and financial reorganization, seeking to radically improve its operation and services. To date this institute provides coverage for 6 million beneficiaries. [applause]

The national system for the integral development of the family [desarrollo integral de la familia -- DIF] has expanded its organization and has become a support mechanism for the coordination of social assistance services. Within the process of decentralization of health services and with the assistance of the states, this system has promoted the creation of municipal social assistance organizations. The DIF helps more than 7 million persons, principally minors, pregnant women, handicapped persons, elders, and low-income families of the slum areas.

Our goal has been a more balanced urban development. We have focused on the problem as well as that of housing and ecology with an integrated vision, whose fundamental strategies are: to establish and define national territory and population centers, to consolidate the growth of the central cities, to protect the natural resources of the nation, and to expand opportunities to have access to urban territory, to credits for housing, and a healthy environment.

The national urban system was implemented to cover 168 principal population centers, with important advances in the planning process. We have continued to develop the national system of soils and territorial reservations. Committees have been created in each of the relative activities with the purpose of establishing land funds for urban industrial development and regulate land tenure, classifying procedures, and obtaining solutions to their problems.

We have transferred to the state and municipal governments more than 2,758 hectares of state-owned lands to support the realization of institutional programs of urban development and housing. In addition, approximately 14.6 billion pesos have been earmarked for the states for projects in 50 urban systems at the regional level. Every family has the right to enjoy a dignified home. In 1985, through the implementation of the national housing development program and with an investment of 630 billion pesos, we will conclude the building of more than 158,000 finished homes, 56,000 homes now under construction, 52,000 service lots, and 76,000 improvement projects. A total of 21,000 credits have been granted for the construction of private homes, acquisitions by third parties, and payment of loans. These actions are providing jobs for more than 600,000 workers.

The operation of the program was supported financially by organizations such as Infonavit [National Fund for Workers Housing Institute], the FOVI [Fondo le Operacion y Descuento Bancario a la Vivienda, Banking Operation and Discount Fund for Housing], FOGA [Fondo de Garantia y Apoyo a los Creditos para la Vivienda, Guarantee and Assistance Fund for Housing Credit], and nationalized banks, with the purpose of meeting demands, principally in the central cities that comprise the national urban system. During the period of this report, 30 state committees for regulations were created and housing was promoted as part of the national integration effort in this field.

The conservation of our natural resources and improvement of the standard of living of all Mexicans are key objectives of our development policy. During the past 12 months, 167 rulings were issued that had an impact on the environment and involved public and private projects of the oil, mining, metallurgy, chemical, agriculture-livestock, forestry, and tourism industries.

The pollution of our environment, particularly in the metropolitan regions of Mexico City, Guadalajara, Monterrey, Tijuana, (Icuatzacualcos), and Minatitlan, is being fought through three strategic fundamental criteria. The one that limits the establishment of new industries in those regions includes the relocation of others. The one on vigilance and control will permit the industrial plan to initiate prevention and corrective programs. This will be done through visits, automatic and manual monitoring such as the system which operates in the metropolitan area of the Mexico valley, and agreements, such as the ones agreed to by public sector enterprises, the decentralized sector, the sugar industry, the Mexican fertilizer industry, the Federal Electricity Commission, PEMEX, and the National Port Development Fund.

Pollution is being countered in 10 hydrological basins throughout the country. Priority is assigned to those in Zacuapan, Ocotlan, Lerma, Santiago, and Panoco. In the same way, 21 water processing plants have been rehabilitated and established for the processing of municipal waste waters, especially in regions where there are industrial belts that contaminate the most.

All of these actions are carried out with an investment of 3 billion pesos in coordination with the state and municipal governments and with industry. Special attention has been granted to the problems of pollution along the northern border. This is how projects are being executed, such as that of Tijuana, for the treatment of sewage water and of the expansion and improvement of the potable water works and sewage systems.

In support of the coordination actions, it was agreed by PEMEX and the state governments involved to create commissions to develop the oil regions in which important projects are under way for ecological restoration, primarily Tabasco and Vera Cruz. In this last entity, the Coatzacualsos-Minatitlan sector was declared a critical zone.

Also, a policy for the administration of urban parks, national parks, ecological reserves, and the national system of national protected areas has been formulated and implemented. We are working in order to have 10 national parks properly conditioned by the end of this administration.

Since the outset of the current administration, Article 27 of the political constitution stipulated the responsibility of the state to promote rural integrated development with the purpose of generating jobs and guaranteeing the peasant population its welfare, participation, and incorporation into national development. The general national rural development program was issued on 16 May 1985 in harmony with the provisions of the planning law. The general nature of the program is the response to the demands made in consultation with the peasant organizations. Its priorities include self-sufficiency in the foods of greatest popular demand and achieving a better distribution of the rural population's income.

In 1983 and 1984 we promoted productive activities in this area. The gross domestic product of the agricultural sector increased in real terms 3.1 percent during the first year and 2.2 percent during the second. I give express acknowledgement to the effort and hard work performed by the Mexican peasants.

In the last agricultural year the production of corn, beans, wheat, and rice amounted to 18.8 million tons and was 2 percent higher than in 1983, whereas total production, which was 4 percent higher than the previous year, is estimated to be 117 million tons. [figures as heard] The amounts obtained permitted us to decrease imports of basic products by 16 percent while maintaining adequate levels of reserves. The 1985 harvests offer positive prospects.

The actions to improve the terms of exchange between the primary activities and the rest of the economy have been very important. In order to encourage the producers, we maintained a policy to guarantee profitable prices and the financial sector gave preference to secured agricultural loans. These actions were complemented with agricultural insurance.

Public investment continues to give priority to the projects destined to strengthen the productive capacity of storm-prone areas. Special emphasis in the area of hydraulic infrastructure is being paid to small irrigation projects and the completion of works in progress, in order to make more arable land available in the shortest possible time. Rehabilitation work continues in different irrigation districts with greater participation of the users.

In the livestock subsector the efforts are concentrated on increasing productivity with genetic improvement programs, bovine repopulation, veterinary sanitation, and livestock infrastructure. In 1984 lumber production increased 8 percent over 1983, overcoming the stagnation of the last 5 years. We will continue implementing an encouraging forestry policy.

Agricultural advances reveal the intensity of the attention that this administration pays to the peasants' problems. We have achieved sufficient administrative and political capacity to give a flexible response to the agrarian demands within the framework of our legislation. There is peace in the countryside. The figures of agricultural land distribution must become progressively smaller due to the natural decrease in the availability of land areas that can be affected. Nevertheless, in the period covered by this report, actions of bequests, creation of new centers, and the confirmation of communal properties resulted in the handing over of 1,118,000 hectares of land to 44,000 peasants. This, added to the 1,580,000 hectares previously distributed by the administration, makes a total of 2,698,000 hectares distributed for the benefit of 88,000 peasants. My administration has issued more than 1,200 resolutions covering a surface of more than 3.7 million hectares for the benefit of 106,000 peasant families.

In agrarian administration we are complying with the duty of investigating, confirming, and maintaining the extant rights of the ejidatarios and also to replace, when their term in office expires, the ejido community authorities. We have updated individual agrarian rights in more than 22,000 ejidos and have issued in the period covered by this report more than 349,000 certificates for new ejidatarios which, added to the 280,000 issued in 1983 and 1984, brings the total up to 629,000. This figure represents more than 50 percent of the certificates issued in the rest of the country's agricultural history.

In the framework of the rural cadastral program, we have regularized more than 26 million hectares of ejido and community land, issued 56,000 certificates that guarantee that small properties of land cannot be encumbered, and issued more than 6,000 titles to colonizers and squatters on national land. A total of 6,000 agrarian centers were organized to integrate them into units of rural development. This is a way to overcome the serious problems of the unproductivity of the minifund.

The ocean's resources constitute a wealthy national patrimony, the potential of which we are barely beginning to explore and exploit. The joint action of the public and social and private sectors resulted in a fishing catch of close to 3 million tons during this administration, which allowed us to increase the per capita consumption of seafood from 12 kg in 1983 to 13 kg in 1984. It generated jobs for more than 250,000 workers, produced $1,168,000,000 in foreign exchange, and improved the living standard of close to 1,000 fishing communities.

The promotion of aquaculture strengthens the development of the rural centers that complement their agriculture and livestock activities with fish production. We have implemented 30 federal aquaculture and coastal fishing projects. The capacity of Mexico's seafood production sector will be expanded with the completion of the construction of the plants in Lerma in Campeche; Cerro de Gallinas in Sinaloa; Puerto Madero in Chiapas; and Manzanillo in Colima. The latter two have received French Government loans, which gives us the possibility that the seafood may be sold in the EEC. In port infrastructure we completed works in 24 ports throughout the country and the processions plants were expanded, all this covering fishing facilities.

The recovery experienced by the industrial sector in 1984, which contrasts with the acute recession that it suffered in the previous 2 years, was the result of the implementation of a series of measures to protect the productive capacity according to the outlines established in the national program for industrial promotion and foreign trade. This recovery emphasizes the vitality of Mexico's industry, which is a credit to the workers as well as the businessmen. The government actions placed special emphasis on the reactivation of industry in general, which had stopped impressing its energy on the economic system. This was the objective of the different fiscal and financial measures adopted to encourage investment and employment, to promote exports, to support the small and medium industry, and to promote decentralization. This reactivation supported itself with an expansion of gross industrial investment encouraged by a policy of recovery, which includes a system of accelerated depreciation of the investment.

Incentives have guided investments toward a structural change in activities, location, and appropriate technology, favoring the generation of new jobs. Treasury certificates have been strengthened and reoriented. In addition, to reduce our high concentration of industrial activity, and promote regional development, economic support is being offered for industrial relocation beyond Mexico City and its metropolitan area. To achieve a larger foreign market for our products, we signed an agreement on subsidies and compensatory rights with the United States whereby Mexico commits itself to not grant export subsidies in exchange for the benefits of the proof of injury [el beneficio de la prueba del dano] which will allow us to better defend ourselves from protectionist pressures in that country.

Regarding direct foreign investment, which does not represent any more than 5 percent of the country's total investment, we have adopted the policy of promoting foreign investments selectively, increasing the sector's income and diversifying its origins. Authorized totals in this administration surpass the $2.8 billion level. In this sector, the policy is still to attract foreign capital to complement the national capital, when it provides modern technology and employment, and promotes economic decentralization and increased exports. Our industrial promotion policy gives priority to small- and medium-size industry. During the present year these businesses received technical assistance, economic incentives, and financing.

Mexico is still self-sufficient and exports energy. We have implemented the national energy program, production has grown at the rate requried by demand in the hydrocarbon and electricity sectors. The extraction of oil is slightly above 2.7 million barrels per day, and exploration projects have allowed for the conservation of proven hydrocarbon reserves at practically the same levels as 1982. At the end of the present year, the installed capacity of electric energy generation will have increased by 2,330 megawatts, or 13 percent above that produced in 1982. We are determined to make the energy sector institutions examples of efficiency and productivity for the benefit of the Mexican people, their owners.

Mexican Petroleum raised the index of profit of the refining capacity, and advances are being made in hydrocarbon distribution transportation with more efficient programming and operative control systems. The burning of fuel in the atmosphere was reduced from 15 percent of the production in 1982 to only 6 percent this year. During my government, the Federal Electricity Commission increased the productivity per working man from 927,000 to 998,000 kilowatts per hour, also increasing the productivity of the equipment, especially at the thermoelectric plants, whose index of utilization went from 64 to 72 percent. The average of electricity interruptions for the consumers dropped from 1,300 minutes in 1982, to 800 during the present year. In 1984, PEMEX covered 85 percent of its total expenses with its own resources. In 1982 that proportion was 61 percent. It increased its reserves 11 times, increased its total active assets from 25 to 57 percent, and from December 1982 until now, it has reduced its foreign debt by $3.5 billion. Its contribution to the treasury has been of especial importance, including taxes paid and withheld for the IVA [Value Added Taxes] and gasoline taxes of 7.5 billion pesos during the 1983-1985 triennium, which represents approximately 45 percent of the firm's total income. During the next 3 years, the federal government will take over 15 percent of the Federal Electricity Commission's passive assets to improve its insufficient capital, but we reaffirm our commitment to continue increasing its productivity which all public institutions are obliged to do.

Regarding conservation and the efficient use of energy, PEMEX has reduced the use of hydrocarbons in its internal processes by 10 percent, and the Federal Electricity Commission has increased electricity generation by 18 percent, while its consumption of fuel oil [combustolio], gas and diesel fuel has only increased by 13 percent. In the sugar sector, a savings process in fuel oil consumption is being carried out, and in the iron and steel industry the use of carbon per ton of steel produced has been reduced by 25 percent from 1982 until this date. In this sector, energy efficiency has reached high levels in international terms. For financial reasons, it has been necessary to temporarily defer three hydroelectric projects scheduled to begin this year. This delays the energy diversification program. Nevertheless, of the plans under construction, 58 percent will not use fuel oil. We thus continue the diversification process, even though at a slower rate than planned.

In 1987 we will conclude the Laguna Verde Nuclear-electric plant, which will initiate commercial operation the following year. Last February the new law in Article 27 on nuclear matters was implemented, consolidating and regulating state leadership in this field. In the energy sector we are making firm advances in technological self-determination. At PEMEX and the Federal Electricity Commission, engineering at all plants is carried out by the firms themselves, at their investigations and development institutes. Closer ties have been achieved between the energy sector and national industry. In 1985, the Federal Electricity Commission will only import 35 percent of its purchases, in comparison to 59 percent in the 1977-1982 period. Meanwhile, PEMEX will only import 28 percent, in contrast with the 66 percent during the industry's phase of greatest growth.

In regard to oil issues, we have acted at all of the forums, and have taken advantage of all occasions. Contacts have been established with exporting countries, members and nonmembers of OPEC, and also with our main consumers to coordinate actions and convince them of the disadvantages caused by the market's instability. Due to lowered oil prices we had to adjust our prices in February, June, and July in keeping with the market and the lowered prices in other countries whether direct or indirect.

During the past 2 years, we earned $16 billion and $16.3 billion respectively, from hydrocarbon and oil exports. This year we estimate a reduction of approximately 800 million pesos due to prices and a similar amount for reduced sales volumes. However, the latter reduction could be partially recovered in the following months by larger demand. Before making decisions on prices and commercial practices, we exhausted all the possibilities of agreement and understanding.

To this effect, last June I wrote a letter to the chiefs of the member countries of OPEC, exhorting them, in view of the difficult period the oil market was experiencing, to respond with solidarity and to effectively prevent a disruption of the market, which would harm everyone's interests. There was no effective and timely response, and Mexico could not indefinitely accept a situation that would progressively separate the country from its markets. For this reason, we adjusted our prices without changing our sales practices or increasing our export volume. We will continue contributing to the stability of the market, while firmly defending national interests.

Mining, which is so important in our history, continues to be a dynamic factor of our everyday life. Mining has preserved its growth capacity, expanded its production plants, increased its contribution to jobs by more than 5 percent, and strengthened its role as a generator of foreign exchange, increasing to 34 percent its net contribution in 1984, a year when minerals worth more than $1 billion were exported despite the international price drop. These results are due, in part, to the implementation of the strategy outlined in the national mining program, which concentrates efforts in projects of rapid maturity and in the exploration of priority minerals, seeking a closer connection between the activities of the sector and national industry. From 1982 to 1984 the credits to small and medium mining activities increased almost 8 times, going from 900 [million] to nearly 8 billion pesos. It is estimated that this amount will increase to 9.1 billion pesos in 1985. Also, a decree was issued to strengthen the fiscal incentives to this activity, while direct support has increased production through new plants to benefit minerals and regional laboratories to provide research of substances and technical assistance. Mexico continues to be the world's top silver producer and is among the five principal producers of lead, zinc, fluoride, graphite, sodium sulphate, and mercury. The government is determined to support this outstanding role of Mexican mining.

The communications and transportation sector has as its priority task to connect at every level all the peoples of Mexico. The first two satellites which comprise the Morelos system are in orbit and, together with a network of approximately 200 ground stations, it serves the nation by effectively linking all types of electromagnetic signals. This ceremony is being broadcast on television using the services of our satellite. This year we will install the 7 millionth telephone, compared to the 5.8 million telephones that existed in 1982. More than 650 rural townships have been incorporated during the past 3 years into the national telephone network. The total number of people receiving this service has increased by 1.15 million. The national postal and telegraph service has improved notably during this period. We have reduced the time between receipt and delivery by almost 30 percent in both cases. So far in my administration we have built 10,000 km of highways, roads, and freeways, which now total 225,000 km. We progressed in the task of improving the public transportation system, the country's most important, by building cargo and passenger terminals, reorganizing routes, and revamping the vehicular fleet.

The actions to modernize the national railroad system, which include a new organic law and the agreement for the modernization and economic reorganization of the national railroads, facilitates a more efficient operation of the firms that contribute to rendering this service, and renegotiation is under way of the railroad workers working conditions, with total respect for their rights and achievements. We are working to attain financial self-sufficiency of the system. Some 76 million tons of cargo will be mobilized this year, compared to 58 million in 1982. The new Los Reyes - Ciudad Mendoza - Cordoba stretch of the Mexico - Veracruz line will be completed, expanding the capacity with which the Mexico-Veracruz line was first built more than 100 years ago.

Maritime transportation strengthens the country's foreign trade. We have more than 3 million tons of gross registry in national vessels; it was almost 2 million in 1982. This has come about because of the training in our nautical schools of more than 600 pilots and machinists, modernizing the port administration, integrating the other modes of transportation to the ports, and building a large number of infrastructural works to facilitate its operation.

In this way, the new Altamira industrial port began operating. Complementary projects were completed and are operating in Lazaro Cardenas, while the capacity of 12 more ports, the most outstanding of which are Mazatlan, Tampico, Manzanillo, and Ensenada, was expanded. During the past 3 years air transportation increased with the operation of 8 new commercial airports: Aguascalientes, Toluca, Los Mochis, Morelia, Zacatecas, Saltillo, Ciudad Victoria, and San Luis Potosi. These form an air transportation network of 53 terminals. The two civil aviation airlines increased and reorganized their routes for a more coherent joint operation and the national air fleet was expanded by 4 more units for a total of 87 units. Both provided service to 14.5 million passengers in 1984.

We have continued to promote the productive offer as the principal instrument to counter inflation, as well as the price control of general consumer goods, to guarantee their access to the majorities. Consonant with the strategy of the national supply system, the modernization and creation of the infrastructure and services required to achieve effective supply within the framework of the federal agreement is being promoted. A relative part of this achievement has been the coordination effort with entities so that this system will orient actions of 31 state systems. The policy of rationalization of subsidies has sought to reorient them to the final consumer and to the population. Experience has shown that the granting of subsidies to raw materials in a generalized manner, as occurred in the case of corn, causes high financial costs and brings about distortions in the use of the product. Therefore, mechanisms have been set in motion to translate the subsidies into food and to channel them toward the lower-income population. In this manner, Conasupo [National Company for Basic Commodities] has met the daily demands of more than 1.5 million families with prices 35 percent less than those of the markets. In the commercialization of grains and oilseeds, Conasupo was functioning virtually as supplier of all the market rather than as a regulating organization. Under the sytems of structural change, Conasupo now participates only in the market to the extent necessary to regulate it, so that the private sector will fulfill its responsibility in the collection, transportation, storage, and financing without requiring government subsidy. The Conasupo system, through Diconsa and Intecsa [not further identified], distributes basic goods in areas and locations traditionally neglected. In this way 75 percent of the 15,000 establishments of Diconsa concentrate their action in rural areas where the large majority of the population lies. The wholesale distribution carried out by Intecsa to support small and medium private businesses permits saving approximately 16 percent over the regular wholesale market. Its action is limited necessarily to regulating the market.

Tourism is a priority luxury in view of its effect on regional development, employment, and its valuable contribution to the generation of foreign exchange. It is a manifestation of the right to rest and recreation and promotes understanding of our national culture. Tourist activities registered a positive evolution. The goals outlined to lodge foreign tourists was surpassed as was the entry of foreign exchange. However, during the past few months of 1984 this affluence registered a reduction as the result of reduced competition among the services of the country, the European and Caribbean foreign exchange devaluations, the liberalizing of international air tariffs in the United States, and the dissemination abroad of negative news about Mexico, which portrayed a false image of insecurity to the foreign tourist. It is estimated that during the first 8 months of this year there was a reduction of 1.5 percent in the tourist influx by air and a 20 percent reduction by land. This situation has shown an improvement of late, which allows us the hope that the 6-percent increase obtained in the entry of foreign exchange will improve throughout the remainder of the year. The reorientation of the publicity campaigns, the promotion and direct presentation of offers, and attendance at international commercialization events will contribute to this. With regard to the productive investment in the sector, after a restructuring of the financing of the projects under way in 1983, during 1984 and 1985 construction began on approximately 12,000 new rooms, with an estimated total investment of 120 billion pesos. The reorganization of the National Tourist Development Fund (Fondo Nacional de Fomento al Turismo) has enabled us to maintain this upward trend of investment.

Thus, during these 3 years financial support was given to the construction of 9,789 rooms, the remodeling of 5,000 rooms, and the installation of new camps, trailer parks, and beach resorts. A relevant aspect has been the formalizing of important coinvestments with foreign groups for a total of more than 77.5 billion pesos. In the integrated tourist development centers, projects under way were completed. As a complement to this urban and tourist infrastructural and equipping activity, programs were carried out in Cancun, Ixtapa, Loreto, and Los Cabos. We have promoted the rehabilitation of the traditional zone of Acapulco and Tasco. In the same way, work was begun by Fonatur on the new Bahias de Guatulco project in Oaxaca, which will be an important element of national development in that state that needs it so much.

The policy of tariffs has been designed to reconcile the purposes of returning adequate profits to investors and maintaining the competitive spirit of our services. We must redouble our efforts, seeking substantial improvements in the productivity and quality of services so as not to depend solely on foreign exchange fluctuations.

Science and technology are conditions in the development of every society. The actions carried out in the field of science and technology lie within the framework of the national program of technological and scientific development. During this period the resources have been earmarked to increase the technological development capacity and to promote scientific research programs. The quality and coverage of the postgraduate programs have been strengthened, as has the connection between the scientific and technological activities regarding the problems confronted by the productive sector. In early 1985 a law was promulgated to coordinate and promote scientific and technological development on which we expect more systematic progress. The budget for the national Science and Technology Council increased over 10 times during the period of 1982 to 1985.

The regional development policy has been an effective instrument in boosting the progress of the states and municipalities. We have sought to fairly distribute the federal state budget in the regions, giving priority attention to emergency conditions, expanding social services, and promoting productive projects. We are linking sector and regional investments with state priorities, in a broad exercise of the federal principle.

The principal advancements in the administrative decentralization have been experienced in the education and housing sectors, while actions are envisoned in the agricultural sector. In general, the federal delegations of the secretariats have received new functions and responsibilities that permit simplifying government activities throughout the country. We will continue to make efforts in this regard. Through the sectorial coordination among the three branches of government as well as social participation, we have continued to support the execution of state plans and regional development projects of Mar de Cortes, arid regions, southeastern regions, the metropolitan region of mexico City, the central region, and the reorganization of (Kenera) in Yucatan. The metropolitan problem of the Federal District has demanded priority attention. The capital of the republic has complex problems stemming from its enormous population, which totals 10 million. The actions undertaken by the city government have been directed to improving and preserving the rendering of basic public services to benefit the largest number of inhabitants. Emphasis has been given to three fundamental branches of development: the coordination of actions with the neighboring state governments, on conformity with the strategy defined in the regional development plan; urban reorganization and territorial regulation to improve and dignify the standards of living of the city inhabitants; and the expansion and integration of the indispensable urban systems for harmonious and sustained social development, such as potable water, drainage, but transportation, and supply.

Based on the policy of the use of lands to control urban expansion, the Department of the Federal District has registered more than 87,000 lots benefit more than 300,000 persons. Because it is of great importance for the economic and social life of the city's inhabitants, we have directed resources to strengthen the integrated bus transportation system, assigning priority to mass transportation.

In this way, during the past 3 years the metro lines have been expanded, increasing their transportation capacity from 3 million passengers daily in 1982 to 4.5 million in 1985. The Tres Sur, Seis and Siete lines have been incorporated in the service for a length of 25 km, making the current network 109 km long. The work under way on the Seis Oriente and Nueve lines of the (?Matitlan) stretch is being carried out in keeping with the construction program. We will soon place into operation an express train which will go from the Tasco station of the metro to Glorieta de Huipulco. On a similar basis, we have strengthened and improved the vehicular park of Route 100, transporting more than 6 million passengers daily. We have continued to expand the drainage system in such a way that this service now benefits 74 percent of the city's population. The masterplan for the disposition and collection of garbage has been implemented. It includes better alternatives. Regarding highways, we worked on the construction and conservation of streets and avenues. There has been outstanding road development in Coatepec and Coman, at the Diez Sur intersection, and in the construction of 92 pedestrian bridges. The urban development project contemplates the building of Las Aguilas park, the continuation of the projects of the San Patricio Battalion Park, the realization of the Chapultepec forest, and the remodeling of the Rafael Osuna sports stadium. Thirteen preschool centers were built, 19 for primary education, 30 for secondary education, 18 for technical secondary education, 1 junior college, 6 technical training industrial and services centers, 3 for special education, and 1 for a television secondary school.

The production of staple goods has increased in neglected areas through the inauguration of 10 new establishments of the Federal District Department, for a total of 76 stores in operation. Today, 845,000 families benefit from more than 2 million liters of milk daily, thus guaranteeing the supply of this product to 90 percent of children of lower income brackets. To counter the pollution of our environment, we have limited the establishment of new industries, the relocation of others is being considered, the installation of antipollution equipment is being promoted, and a reforestation program has begun. After broad consultation, the program of urban reorganization and ecological protection of the Federal District has been implemented.

The professionalization, moralization, and modernization of public security is the fundamental concern of my government. From 1982 to date the number of vehicles for patrol service increased 33 percent, and more than 7,500 members graduated from the police academy with a new spirit of service. We will not cease in our efforts to improve the security conditions of the Federal District. We will continue to take the measures that are necessary. This is a vital problem whose challenge we will continue to face in keeping with the enormous and justified demands of our fellow citizens. [applause]

Honorable congress of the union, this report has sought to describe succinctly and realistically the government's attitude in the face of the problems of the nation and the policies and strategies that it has adopted to overcome them. The Mexican peoples have responded, despite the difficulties and challenges, demonstrating a great capacity of resistance and an indomitable will to advance. Society and its diverse groups have not only adapted to the difficult circumstances in order to survive, but have also developed new powers of reflection above our reality, which are translated into actions that besides overcoming the problems, are giving us a new national dynamic. It is up to the government to orient and direct this process of social change, interpreting the will of the nation and guiding itself fundamentally by the interests of the majority. I know very well that the theses and actions of the government are not supported unanimously. Criticism and disparity of criteria are normal in a democratic and free society. But in the fundamental issues of the country, it would not be proper if the government tried to act in conformity with the negotiated average of the diverse currents of opinion and ideologies that are counterposed and extreme. That attitude would lead us to the incongruity and nonexistence of defined policies. We listen and analyze carefully the criticisms that are made of us and the proposals that are made.

We seek their reason and origin. And if they are valid and viable, we rectify or modify our policies. If they do not convince us, we maintain our thesis and actions and try to explain and justify them. We do not reject dialogue and debate. We begin by having good faith in the discussions. We respect the liberty to discuss. But discussion and criticism must not paralyze the government. We act as we think. After the decisions are made, we apply them with firmness and conviction. Throughout this report, we have expressed ourselves clearly on the reasons and actions. We have pondered on the results, be they advancements or failures. We have presented problems in a frank manner. We have proposed policies and actions in a determined manner. Uncertainty lies in the facts, not in the government's definitions. We ratify the policies that have been decided. The objectives remain unchanged. In the political field, we will maintain liberties and social peace in a democratic order and with the support of the institutions of the republic. In foreign policy, we will uphold our principles and we will promote and defend our national interests in accord with the interests of the international community. In the economic field, we will fight inflation. We will strive for the recovery of economic growth, in a firm and continuous manner. We will protect and promote production and employment, and we will stimulate the structural changes demanded by our development. In the social field, we will defend the levels of nutrition, health, housing, and culture of the vast majority. There are ideas, objectives, strategies, programs, and actions in our National Development Plan. We will persevere in them.

Mexicans, we are commemorating today 175 years of national independence and 75 years of the Mexican revolution. The people and government of Mexico are fulfilling their duty of historical commemoration which strengthens our nationalism as we explain and meditate on our origin and evolution. In order to strengthen our solidarity in the present and maintain our unity in the future as an independent and sovereign nation, we must remember our past. Our history is the never-ending source of teachings and vital commitments to build the future. As the result of rich cultural and racial mestizos, the Mexican people decided in 1810 to become independent from Spain in order to begin their own national project, fully assuming their sovereignty. Throughout the colonial period, a new nation was formed without selfishness and with grandeur. The independence revolution was a renovating movement by the people in the terms proposed by Hidalgo and Morelos. Mexico at the time was just the mere beginning of a new nation, with a vast territory and with very poor communications. It had approximately 6 million people, dispersed unequally throughout it, divided by a rigid caste system, and without any common awareness of belonging to a political, economic, and social unity.

In the political field, we had a colonial administration that contributed very little to the experience of self-government. The war for independence during more than 10 years was a fierce and destructive struggle that heralded the difficult and painful birth of a new fatherland. Beginning with the consolidation of independence and for nearly 50 years, the nation sought to define its political and social organization. Society fluctuated among those who proposed the establishment of a modern and constitutional state in order to transform our society and econmy under the principles of liberty and federal democracy, and those who proposed conserving the centralized and obsolete structures of the colonial regime. Mexico became divided and a good part of the 19th century was notable for the political instability, economic poverty, foreign interventions and wars, and the constant threat of national distintegration. At that time, we lost over half of our territory but we won the consolidation of the idea and the feeling of our nationality. The revolution of the reform with Juarez, and the brilliant generation that accompanied him managed to integrate, consolidate, and successfully carry out the national project designed by Mexican liberalism. As expressed in the 1857 constitution and the reform laws, liberalism managed to prevail over the conservative ideology and to defend Mexico's freedom and sovereignty in the face of the foiled attempt to establish a monarchy with foreign support. By then, Mexico had a population of 8 million people. In spite of the changes to the liberal project during the administrations of Porfirio Diaz, the basic ideas subsisted.

These served as a basis for the 1910 revolution that was born with Madero to demand political democracy, and enriched the liberal tradition with the postulates of social democracy and the cultural and economic nationalism which were to inspire the 1917 Constitution. In it, we find a amalgamation of demands of Zapata and Villa, of Carranza and Obregon. That great document sealed the pact of the peasants, workers, and middle classes around the basic political decisions of the Mexican people, as well as individual liberties and social rights, a representative republic, federalism and municipalities, and social democracy; division of powers, with a presidential regime; separation of the church and state, leadership of national development by the state, as the representative of the nation; and a mixed economy. The great episodes that founded, organized, and promoted the formation of our history were the three great nationalistic revolutions. That is why Mexican revolutionary nationalism is the ideology that continues to guide our destiny. The belligerent stage of the revolution lasted nearly 1 decade. Over 1 million Mexicans died. Furthermore, let us not forget that even in the twenties, 200,000 Mexicans died in a religious war. After the violent stage of the Mexican revolution concluded, the people and government worked very hard to rebuild the country according to the national and revolutionary project of 1917.

The last 60 years of Mexican life represent a great historical enterprise of changes in all aspects of national life. The Mexican Revolution has given us a stable and efficient political regime which has propitiated social peace and an atmosphere of liberties characteristic of a democratic system founded on the constant social, economic, and cultural improvement of the people. The nation has grown, integrated, and radically changed in the 50 years. In the beginning of the thirties, we had a population of 14 million Mexicans, still dispersed and isolated in our vast territory. The economy was weak and consisted in general of agriculture and mining, with foreign captial controlling vast sectors. Society was strongly polarized and a weak middle class was emerging. The levels of education, health, nutrition, clothing, and housing corresponded to basic stages of underdevelopment. Calles, and particularly Lazaro Cardenas, made important contributions to the creation of institutions and social organizations and the true advancement of the revolutionary process. Seventy-five years after the Mexican Revolution, today's Mexicans have another society and another economy. We are now 78 million Mexicans, the 11th largest population in the world. We have a more diversified social structure. The country's agrarian organization has been transformed, abolishing the latifundios and creating a free and dignified peasant class. We have dynamic labor and middle classes that are integrated into our national activities. The country has developed a cultural and educational system that reaffirms our national character and daily changes our social realities. We are a free nation, open to changes. There are social changes. We have improved health conditions. In 1930, the life expectancy of a Mexican at birth was 37 years. Today, it is 67 years.

The Mexican economy has also been radically changed. It is greater, diversified, and dynamic. It has multiplied 16 times in the last 60 years, and it ranks 14th in an international community of 159 countries. We have developed an important industrial sector which is now contributing the greatest share to the growth of national production. Agriculture continues to be a basic factor of the economy. It has been able to increase production by 6 times in the last 50 years. We continue to be an important mining country. We rank fourth in petroleum production. We are now a leader in fishing. Communications and transportation have increased several times, trade and services are constantly growing. The Mexican Revolution has generated a cultural renovation that deepened our roots. It gave us a strong nationalistic character and generated new educational systems. New schools of art and painting were born and developed. Literature and poetry in line with the new times were born.

Music was composed with our own characteristics. Our popular culture was rescued, philosophy dwelled on what it means to be Mexican. The people received the benefits of an education. The Indian was acknowledged as a brother. We fought illiteracy. We have total coverage of primary education, and made significant advances at the mid- and superior levels. Scientific and technological research institutes have increased. We Mexicans have carried out this radical social, economic, and cultural transformation with the support of a political system that has given us stability and efficiency, peace, liberties, social rights, a regime of institutions, and a democracy which is permanently improving. We have not yet concluded the national project of the Mexican Revolution. We must consider that such a radical and deep transformation cannot be done in just 50 years.

In 6 decades, we Mexicans have done what other countries achieve in several centuries. We must emphasize that the important aspect of all this is that we have had the benefit of a national project, which is what the Mexican Revolution determined, and which has thus become the common heritage of all Mexicans. In spite of all these spectacular advances, we still have considerable setbacks and painful inequalities. We still have to integrate the nation more fully in all aspects. We have to strengthen and make more productive our economic apparatus and resume a firm and sustained development. We must transform the nation into a more just and egalitarian society. We must redouble our efforts in order to improve our political system through overall democratization and strengthened federalism and municipalities.

The task of decentralizing national life is an urgent task. We must be zealous and strive to increase and enrich the liberties of political and social pluralism and the mixed economy system. However, above all, we Mexicans must maintain our sovereignty and independence. Nationalism is the value that supports and protects the other political values. All Mexicans must unite around our nationalism, and history has proven this. In the contemporary world and in the outlook for the future, Mexico continues to be a fully viable nation. Our cultural personality, our social integration process, the size of our population, the strength of the institutions, the density and power of the economy, the ample and wide variety of natural resources, our respectability and influences in the international field, all of these are elements which support and will strengthen our independence, liberties, and democracy.

True, we men have made mistakes. We cannot deny there have been deviations. However, errors and deviations do not impair the validity of principles and ideas. These serve to recognize the correct them, as well as to undertake the new tasks which the future demands. In spite of everything, the nation has more assets than liabilities. We have done more that is positive. Our basic wealth lies precisely in the Mexican people. We have a harsh but fruitful history, a national project that guides us, a firm willingness to build the national grandeur.

In the face of the present difficulties, let us reaffirm our strong will to pull this country through. Let us apply this to a systematic and productive work. Let no one stand apart from this great but beautiful task of national renovation.

I hereby ratify my personal commitment to continue serving the nation in a loyal and patriotic manner, of speaking the truth, of ruling with calmness and firmness, of not becoming dismayed before misfortune, of working to my full capacity. I hereby reaffirm my concept that the presidency of the republic is the link of all Mexicans, and the president is committed more than anyone to the service of the nation. On this basis, I again urge all my fellow countrymen to persevere strongly in the struggle to overcome difficulties and to develop a passionate faith in Mexico. Let us be dignified in the face of our history. Let us leave our children a better fatherland. I urge the youth to become the vanguard of society. I urge women to increase their contributions so we can firmly maintain the fatherland and national development.

I urge the peasants to continue loving the land and to make it more productive in order to increase their standard of living and feed the Mexican people. I urge the workers to defend the industrial area, increase their production, and strive for modernization. I urge businessmen to carry out with talent and determination their mission of undertaking new enterprises, of providing more employment, of producing and exporting more and better. To the professionals and technicians, I urge them to give new encouragement and new ideas to the country's progress. I urge teachers, intellectuals, and artists to transmit, improve, and make our national culture richer and more varied at all times. I urge soldiers and sailors to continue protecting with loyalty and honor the sovereignty of the people, their freedoms and rights.

Today's Mexicans must honor yesterday's Mexicans and be honorable in the eyes of tomorrow's Mexicans. If each and every one does his duty with full determination and renewed spirit, there will be no obstacle that we will not be able to overcome. We will again conquer misfortune. We will continue building the national grandeur. These are the tasks that I invite all Mexicans to undertake today. There is no other path but renewal and effort. This is the attitude with which we must recall today our independence and revolution. Viva Mexico. [prolonged applause and shouts of "Viva Mexico"]

POLICE, UNIVERSITY STUDENTS CLASH IN CHIHUAHUA

PA051724 Mexico City XEW Television Network in Spanish 1300 GMT 5 Sep 85

[Text] Last night, the police seized between 60 and 100 urban buses that had been held by students of the Autonomous University of Chihuahua since Tuesday. A violent clash ensued between the police and the dissident university students during the removal of the students from the Hidalgo Plaza in front of the rector's office.

The order for police intervention was given by Governor Oscar Ornellas at 1930 hours, when the talks between the state authorities and student representatives broke off. Ornellas said that the dialogue had been definitely broken.

The antiriot unit, as well as members of the rural and judicial police, clashed with more than 1,000 students who tried to prevent the taking of the buses by throwing stones, bottles, and other objects. The police used tear gas to disperse the demonstrators. As of this morning, no one had been reported injured or arrested.

At a press conference, Governor Ornellas said that the police intervention was necessary because the citizens could no longer be without transportation service, which had been paralyzed since Tuesday.

The protesting students gathered at the rector's office, which is still occupied, and announced that they will take more radical measures today, such as blocking the roads to and from Chihuahua.

The students are demanding the removal of Reyes Humberto de las Casas, the current rector of the University of Chihuahua.

GUATEMALA

TROOPS END OCCUPATION OF UNIVERSITY CAMPUS

PA052052 Guatemala City Cadena de Emisoras Unidas in Spanish 2000 GMT 5 Sep 85

[Text] The National Army troops, who had occupied the university campus since Tuesday, left today at 1330. The trucks and armored vehicles left the campus. Rector Eduardo Meyer arrived at the university at 1400. During a tour of the central offices, one could see that everything had been turned upside down, and the drawers of desks forced open.

The rector asked how the Army can teach criminals about nonviolence if it is carrying out violence by forcing open all the desks. Phrases were found written in various locations. In one place in the auditing department, a threatening note said: You are going to die. Everything was turned upside down. The rector said that it was a lie that weapons were found at the university because all that he has in his office is a cross, which defends him. The actions by the Army were a violation and were not just a simple measures to stop the recent problems. A sign of the university students association that had been in the economics department was found in the auditing department. This mean that things were moved around. In the hallway, a note was found that said: So long friends; it had a question mark at the end. The rector said: With friends like that, who needs enemies?

Students Issue Demands

PA051757 Guatemala City Cadena de Emisoras Unidas in Spanish 1615 GMT 5 Sep 85

[Statement issued by the Oliverio Castaneda de Leon Association of University Students, AEU, and the General Assembly of University Students Associations in Guatemala City on 4 September]

[Text] The Oliverio Castaneda de Leon Association of University Students, AEU, and the General Assembly of University Students Associations reports to the people of Guatemala and the world:

1. With great efforts the San Carlos University [USAC] achieved autonomy in 1944. It implies the right to govern itself according to its own bylaws, independent from the government in power. Autonomy will never be destroyed because it does not rest in a vacuum but is based on institutions that responded to the people's aspiration for an educational center to prepare well-rounded professionals.

The de factor government has acknowledged the premeditated nature of its intervention at the USAC. This implies that professional agitators infiltrated the crowds of students and general population and provoked the various incidents of violence that took place there. The government did this to justify the indiscriminate repression that was staged at the university and its intervention. The violation of university autonomy is an affront to all the Guatemalan people because all sectors of the Guatemalan society are represented therein. The USAC campus is an autonomous and free territory. So is Guatemala. Therefore, to state that the USAC is only fictionally free is to assert that Guatemala is not free.

2. The military government's charge that the USAC is a center of subversion and terrorism proves that the government does not understand the importance of scientific and cultural [words indistinct] faces at mass demonstrations is to prevent being the victims of that terrorist policy.

3. Amid the economic situation that Guatemala is currently confronting, popular protests will not be prevented by demagogically ordering the freeze of prices of staple products and pressuring the private sector to enact salary increases. The people are not demonstrating to obtain price freezes or salary increases. They want just prices to replace the current ones and the government to order salary increases to alleviate the inflationary impact on the people's meager and weak earnings.

4. The AEU believes that freedom of expression is a basic human right that cannot be restricted by imposing fascist measures.

5. The de facto government has been intent on maintaining a machinery to deceive the people. We are referring to the so-called democratization process. Millions of quetzales have been spent on publicity campaigns while the people go hungry. The situation has degenerated to the point where the people are abducted, imprisoned, and killed, and university autonomy violated in the name of the so-called democratization process. This process is a smokescreen, the purpose of which is to secure foreign aid.

6. During the current protests against the high cost of living, the bus fare increase, and low salaries, the government and military leaders used terrorist methods to silence the people's clamor. It has not been enough to quietly abduct and murder government opponents. Now arrests have been made openly, indiscriminately, and in violation of all human rights. Freedom of thought and organization have also been violated, thus creating a climate of uncertainty by violating the people's right to defend their just demands.

In view of the above, we:

A. Emphatically repudiate the brutal, irresponsible, and unjustifiable violation of university autonomy before the people of Guatemala and the world.
B. Hold the government and Army responsible for all physical and moral damage inflicted on the members of the university community.
C. Demand that the repressive Army forces immediately abandon the university premises.
D. Demand that the property damage sustained by the university installations be repaired promptly.
E. Demand that the de facto military government order a reduction in the prices of staple products and a 200 percent salary increase to all workers.
F. Urge the media to stand firm and reject all attempts by the government to silence it.
G. Invite the Guatemalan people to a demonstration at 1400 on Friday at the Italy Square in Guatemala City.

For the unity of all the popular sectors and the defense of university autonomy!

PSD Issues Statement

PA051521 Guatemala City Cadena de Emisoras Unidas in Spanish 1223 GMT 5 Sep 85

[Statement issued by the Guatemalan Democratic Socialist Party, PSD; date and place not given -- read by announcer]

[Text] The Democratic Socialist Party, PSD, hereby emphatically condemns the occupation by Army troops of the installations of San Carlos University last night and demands that the head of state promptly clarify the actions staged by military troops on the university campus. The PSD believes that the occupation of the university constitutes a violation of its autonomy, achieved thanks to the brave and glorious struggle by generations of students, professors, and university authorities.

We believe that provocations of any nature are highly condemnable, more so when these are based on the power of arms. The Army's behavior was diametrically opposed to the government's purported respect for the rights of Guatemalans.

ARMED FORCES TO PROVIDE FREE TRANSPORTATION

PA052204 Guatemala City Cadena de Emisoras Unidas in Spanish 2105 GMT 5 Sep 85

[Press Communique No 018385 issued by the Guatemalan Armed Forces in Guatemala City on 5 September]

[Text] The Guatemalan Army, aware that one of its many duties is to ensure the common well-being of the Guatemalan family and seeking a way to contribute to the solution of the urban transportation problem so that the people can get to work and return to their homes, is providing free transportation on the following schedule as of 1700 today:

Route 1: From the Enrique Gomez Carrillo Park, Bolivar Avenue, (?Grami Pausam) neighborhood, to the bridge at the turnoff near Aguilar Batres Highway, Zone 12.

Route 2: From the Enrique Gomez Carrillo Park, Roosevelt Highway, in front of the Guatemalan Council [conciliar] Seminary.

Route 3: From Morazan Park, Zone 2, to the entrance of the San Rafael La Laguna neighborhood, Zone 18.

These routes may be used beginning tomorrow from the points established to the downtown sector of the city. This communique also states that for this free bus service the Guatemalan Army has established the following timetable: from 0530 to 0830, from 1200 to 1400, and from 1700 to 1900.

JOINT DECLARATION SIGNED WITH VENEZUELA

PA030433 Guatemala City PRENSA LIBRE in Spanish 2 Sep 85 p 4

[Text] The indebtedness of the Latin American countries is serious, and a policy must be designed to serve as a basis for a dignified and respectful dialogue between creditors and debtors. This is stated in the joint declaration, which was signed the day before yesterday, by the Foreign Ministers of Venezuela, Simon Alberto Consalvi, and Guatemala, Fernando Andrade Diaz-Duran, during Consalvi's visit to the country to award his counterpart the Order of Simon Bolivar, and receive the Order of the Quetzal, awarded him by the Guatemalan Government.

In the joint declaration, the foreign ministers analyze the serious situation in Central America, for which short-term solutions must be found, as the situation is growing increasingly worse. The worsening of the economic crisis, the document states, will have repercussions of an unfathomable scope in the Central American countries. The foreign ministers believe that the Contadora process is the most adequate for the peaceful and integral solution of the political, security, and socioeconomic problems of the region.

In the declaration they also demand that the governments overcome the stumbling blocks that have emerged during the course of the negotiations, and that they establish conditions for lasting peace.

The foreign ministers also agreed to implement technical cooperation and cultural exchange agreements so that joint and coordinated investigations, development, and training programs can be carried out, as well as visits and courses for professors and students, as well as for improving the knowledge of scientific, literary, artistic, and news associations and institutions.

During the Venezuelan foreign minister's visit, the officials also began negotiating the signing of a trade agreement of partial scope in both countries.

Consalvi on Contadora Process

PA010235 Guatemala Ctiy Cadena de Emisoras Unidas in Spanish 1130 GMT 31 Aug 85

[Text] Venezuelan Foreign Minister claims that the Contadora Group has not failed. The minister, who was decorated last night with the Order of the Quetzal, stated that the Contadora Group has not failed and that its most important mission is to prevent an armed conflict in Central Ameirca. There have been some complaints, he said, because some border problems remain, as in the case of Nicaragua and Costa Rica, but the Contadora Group is working to ensure that there is no armed conflict in Central America.

HONDURAS

NICARAGUA BLAMED FOR CONTADORA STALEMATE

PA051458 San Pedro Sula TIEMPO in Spanish 3 Sep 85 p 3

[Text] Tegucigalpa -- Before leaving for San Jose, Costa Rica, yesterday, Foreign Secretary Edgardo Paz Barnica said that the Contadora Group should point out that Nicaragua is responsible for the obstacles that have prevented the signing of the Document for Peace and Cooperation in Central America. Paz Barnica left yesterday afternoon for San Jose, where he will participate in a meeting with Costa Rican Foreign Minister Carlos Jose Gutierrez and Salvadoran Foreign Minister Rodolfo Castillo Claramount.

He said that the purpose of the meeting is to discuss the topics still pending in the negotiations: the arms buildup, the processes of internal reconciliation, and the verification and control mechanisms. "I am the first to acknowlege the efforts that the Contadora Group has carried out and that for one reason or another have yet to successfully conclude," Paz Barnica said. He stressed that the efforts "have not failed. On the contrary, I think they have been strengthened" by the integration of the Lima group, comprised of Brazil, Argentina, Uruguay, and Peru. He added that at an as of yet unspecified date in mid-September, a new summit of foreign ministers of the Contadora Group and Central America will be held to persist in the analysis of the pending issues.

He stressed that the foreign ministers of Mexico, Colombia, Panama, and Venezuela "have said that they believe that the Central American situation and the Contadora process must be evaluated." Paz Barnica said that in addition to examining the three issues that are described as the obstacles to the signing of the document, they will also review the internal and external factors that affect the crisis. Paz Barnica described the negotiation work as "very complex," but he also warned that "Contadora should be firmer in pointing out those who are responsible for the stalemate."

"I believe that if Nicaragua accepts disarmament, internal reconciliation, and the verification and control mechanisms, the document will be signed immediately," the Honduran foreign secretary said.

He expressed confidence that "as a result of the strengthening of the process with the participation of other Latin American countries, the nine foreign ministers will undertake a political evaluation without going into technical details that the plenipotentiaries are responsible for."

"I think we must continue to advance in the process because the Contadora Group has not failed, nor should we cause it to fail even though we still have the OAS, which has suffered its setbacks with the Malvinas crisis," he commented. The official also said that "it is often believed that Nicaragua has sympathy in Latin America."

"I do not think that there is sympathy for the Nicaraguan Government. What I think exists is ill will towards the U.S. policy on Latin America as a result of the Malvinas crisis and the foreign debt problem," he added. "Therefore, I think there must be a readjustment in international relations so that through understanding we can achieve a rapprochement between the northern and southern parts of our continent based on mutual respect," he said. He said that a readjustment is needed "so that in full equality, the north and the south will work jointly for democracy, freedom, and the resolution of the economic problems."

TEXACO REFINERY STRIKE ENDS 5 SEPTEMBER

PA052333 Panama City ACAN in Spanish 2300 GMT 5 Sep 85

[Excerpts] Tegucigalpa, 5 Sep (ACAN-EFE) -- Today the Honduran Government resolved the labor conflict that had paralyzed work at the U.S. transnational Texaco refinery in Honduras since Monday. The agreement reached between the company and the workers -- with the help of the government -- which ended the nearly 4-day old strike called to demand the payment of $250,000 in back wages and overtime, has not been made public. When the strike ended, the country had 90,000 gallons of fuel and a large amount of crude to get by with until the arrival of additional unprocessed oil. The government must now solve the transportation strike. The transportation sector is demanding an increase in the rates per kilometer covered. All increases in these rates were frozen several years ago. The Honduran laws establish that the supply of fuel and transportation services are a public utility and can be intervened by the state if necessary.

NICARAGUA

DANIEL ORTEGA ADDRESSES NATIONAL ASSEMBLY

PA052135 Managua Domestic Service in Spanish 1733 GMT 5 Sep 85

[Speech by President Daniel Ortega Saavedra before the National Assembly -- live]

[Text] Companeros of the special constitutional commission of the National Assembly: Four hundred eighty-seven years ago, America and Europe discovered each other. The Europeans and Americans were surprised as they uncovered the veils of the violent and dazzling mysteries they found. They found civilizations in various degrees of progress. Europe then saw in the men and land of America a new source of wealth. All of America was then subjected, exploited, and aligned to the colonial system. Pedrarias Davila was the first governor and general captain of Nicaragua in 1527. The concepts of control, trade, and exploitation in a colonialist situation, which was justified by Divine Right and applied by the Holy Alliance of the popes and kings, established a new order in which the exploitation of man by man, including the slave trade, was legalized.

In 1821, Central America gained its independence from Spain, but the peoples did not break the chains of exploitation, and the powers such as England, Germany, and the United States would then struggle to replace Spain. U.S. imperialism would then win that role, while the struggle for independence would continue in the south, north, and central regions of the rebel America of Bolivar, Juarez, and Miranda. Attempts were then made to subject our peoples to align them with the expansionist interests of U.S. imperialism, which made the Monroe Doctrine the law.

America for the United States. The interventions, occupations, and plunderings of territories by the U.S. Government would result in bloodshed in Texas and all of northern Mexico -- which was deprived of its territory -- the Malvinas Islands in Argentina, Valparaiso in Chile, Puerto Rico, Cuba, Panama, La Guayra in Venezuela, the Dominican Republic, Honduras, Guatemala, and Nicaragua. In this manner, William Walker replaced Pedrarias. And then, the U.S. warships would come to bomb the Nicaraguan ports, and the Yankee occupation troops would invade and occupy our fatherland with successive governments that would defend the exploitation of the people. From Pedrarias to Somoza, the various regimes that were imposed on the people of Nicaragua had that class concept that institutionalized the right to exploitation of many by man, and of the privileged minorities that subjected the workers, the humble ones, the peasants.

From Pedrarias to Somoza, the economic, feudal, mercenary, and capitalist monopoly was established in Nicaragua. At that time, there was no mixed economy. From Pedrarias to Somoza, a 2-party system was established in Nicaragua whereby only the landholders, the rich merchants, and the great businessmen and bankers had a right to exercise power. At that time, there was no political pluralism. From Pedrarias to Somoza, the international policy was that of subjection to a foreign presence. Under colonialist and neocolonialist forms, Nicaragua then became an aligned country, with no sovereignty, with no right to self-determination or independence. At that time, there was no non-alignment. From Pedrarias to Somoza, only the rich exploiters were the owners of newspapers and radio stations; only the bourgeoisie and capitalists had any access to the communications media. At that time, there was no freedom of the press. From Pedrarias to Somoza, the workers, peasants, and the people in general were denied the right to organize themselves. Then, there was no freedom of organization. From Pedrarias to Somoza, the armies and police were the instruments of the rich exploiters in order to murder and suppress the workers of the cities and fields. At that time, the people did not have their army and police. From Pedrarias to Somoza, education, health, and housing were denied to the peasants, the workers, the humble ones. At that time, there was no social welfare for the people. From Pedrarias to Somoza, in Nicaragua there was no justice, freedom, or peace, because the reign of terror prevailed. The exploiters enriched themselves at the cost of workers and peasants who shed their blood and sweat in various forms of exploitation imposed by their class enemies. It was the reign of terror that nourished the hatred of classes, the contempt for classes; the domination of classes, of the landholder, of the great businessman, of the great merchant, of the banker, of the bourgeois, of the capitalist, of the exploiter who had institutionalized his right to crush the people. At that time, there was no respect for human rights.

All those signs of domination from the times of Pedrarias to Somoza were crushed by the Nicaraguan people, led by the FSLN, who achieved revolutionary victory on 19 July 1979. The just demands accumulated, the murdered voices of the exploited ones; the graves of the Indians, peasants, workers, artisans, of the thousands of men and women who were victims of the totalitarianism imposed by the exploiters for over 452 years, all of these graves opened on 19 July 1979 and the entire nation rose from the dead in its history, its only and true history, which then became known.

The people buried with Somoza the concepts that had arrived with Pedrarias in order to justify exploitation, and decided to (?write) a new history. From then, as of 19 July 1979, the [word indistinct] go to the developing peoples, regardless of their geographic location. We are brethren with all peoples of the world, in the struggle for justice, for freedom, for independence, for self-determination, against racism and against apartheid. That is why we are nonaligned.

We are the defenders of the unity of the Central American peoples, of the unity of the Latin American peoples. We are the defenders of the unity of Latin America, Africa, Asia, Europe, and Oceania; of the unity of the peoples of the world, building and defending peace. We are the defenders of peace and therefore of universal justice. That is why we struggle in favor of a new international economic order that will liberate the peoples from the unjust economic relations and of the crushing burden of the foreign debt. We are defenders of democracy, of this democracy that we are building, of this power of the workers and peasants, of this people's power that proposes and builds for the benefit of the Nicaraguan society a pluralist regime. We are the defenders of these new economic relations that give powers and rights to those who produce the wealth, where the productive efforts of all should provide benefits for the workers and peasants. We are the defenders of this new revolutionary system which has been born from the very roots of the Nicaraguan people. It is a system that is the power of the workers, power of the peasants, power of the working people; a power that will never be the power of the exploiters. Six years after the great popular victory, we are institutionalizing the revolutionary process. For 6 years the FSLN has been defending implementation of the revolution's original program. The FSLN proposed its program to the nation right at the moment it emerged as a historical option for the Nicaraguan masses in the early sixties. That program was systematized and presented to the people in 1969. A few years later, in October 1977, the FSLN program was prepared and presented as a government platform. The FSLN's original program is a program that belongs to the Nicaraguan laborers, peasants, and workers, which gives all the political, social, and economic sectors in the country an opportunity to participate in the construction of a new society. The FSLN's original program defines a new order, in which the political, economic, and military power rests on the workers. This is the program we implemented when we confiscated the properties that were previously owned by Somoza and the Somozists, when we nationalized banks and exports, when we nationalized our mines and natural resources, when we promoted the legalization of land ownership, and the delivery of land to humble peasants, up to a total of more than 5 million manzanas. This is the program we have implemented when we have delivered lots in progressive neighborhoods to the humble and hard-working people in our cities.

We have acted in accordance with the original program when we have taken education, health, and services to workers. We have honored the original program when the labor unions, the organizations representing the Nicaraguan workers, have been multiplied to more than 1,340. We have respected the original program because the written press and the radio no longer represent a monopoly of the totalitarianism of the exploting capitalists. For the first time in Nicaraguan history, the workers have access to the press, radio, and television. This means that there is freedom of the press in Nicaragua.

We follow the original program when we defend the workers and peasants' right to political organization, without depriving other sectors in the nation of this same right. For the first time in the history of Nicaragua, seven political parties representing a wide range of political and ideological tendencies participated in the elections and are now part of the National Constituent Assembly.

We have acted in accordance with the original program when we have defended the right to independence, to self-determination, to have friendly relations with all the nations of the world, to reject any attempt of subjugation by those who are used to treating the peoples without respect. Nicaragua has defended an international policy of nonalignment. We follow the original program when we defend the people's right to organize themselves in their Sandinist People's Army, in the Sandinist People's Militia, in the Sandinist Police, so that the people can defend their interests; so that never, never again, can the rifles be used to defend the landlords that jailed, tortured, and murdered peasants to steal their land; so that never again can the rifles point at the workers that were once repressed, jailed, and murdered by the Army and police at the service of the Somozist landlords and exploiters who politicized that Army and police to defend their classist interests. We are consistent with the original program when we defend the rights of Nicaraguans to practice a religion or not, simultaneously stimulating and preserving the religious traditions. We are consistent with the original program when the women, youth, professionals, intellectuals, artists, journalists, artisans, small industrialists, and all social sectors flourish in organizations with an awareness of being Nicaraguans. We have been implementing the original FSLN program for 6 years. We have not yielded and will never yield to the blackmail, pressures, and threats that Nicaragua's enemies have been making in order for us to betray the working people. To those who have set their hopes on foreign aggression so that the Sandinist front will be the terrorism of the U.S. rulers and the original program of the revolution will be distorted for the benefit of the exploiters and (?subjected) to the imperialist policy of the U.S. rulers, and those who still have hopes for the so-called national dialogue which the U.S. Government proposes, to those naive ones, we say once and for all that the only national dialogue that the FSLN propitiates is the one that is held within the institutional framework of the revolution.

Nicaragua is a sovereign, free, and independent state. We will never again accept any foreign imposition. Here we have an institutional framework that encompasses the revolutionary system. This institutional framework must be respected. The revolutionary system is clear. It is a system that has its roots in the workers and in the peasants. It is a system that while defining a people's power for the social, political, and economic transformation, it does not negate any social, political, or economic sectors. On the contrary, it invites them all to participate in the huge historical task which entails the creation of this new society of free men. Therefore, the revolution is not under discussion. It is irreversible. Within the system, we all have a right to dissent in order to enrich, envigorate, and improve it. It is the participation of all Nicaraguans in the preparation of the Constitution of the Republic that will give a juridical constitutional framework to the new system that has emerged with the revolutionary victory. This is also what is at stake when the U.S. rulers maintain a war of aggression against Nicaragua for over 4 years. The U.S. rulers have outlined a strategy in order to destroy the Nicaraguan revolution. The U.S. rulers refuse to recognize the changes that the people's forces began on 19 July 1979. They reject the possibility of an independent, free, and sovereign Nicaragua by resorting to men and a geopolitical determination that surpasses the subjection of peoples and governments. They have acted and continue to act as imperialists. That is why the U.S. rulers have this determination to crush the Nicaraguan revolution. That explains the irrational eagerness of the President and high-ranking civilian and military officials of the United States who have waged domestic and international efforts to seek support for their terrorist policy against Nicaragua.

The speeches, trips, threatening messages, and press statements of the U.S. President and officials are violently disproportionate to our small country.

We have made the decision not to continue to be slaves of the imperialist policy. When the world faces security problems that threaten the very existence of mankind and when the strategists of the Apocalypse of the United States propose a desperate arms race, one can understand that the barbarians who govern the United States can plan military campaigns as the one carried out in Grenada or the one planned against Nicaragua. In this way, one can also understand the U.S. rulers who materially and morally finance the terrorists who in the name of democracy kill children and workers in South Africa, El Salvador, and Nicaragua. The U.S. strategy is clear. They want to destroy the Nicaraguan revolution, to kill the hopes for change, democracy, political independence and economic independence that are being awakened in Latin America today.

By destroying the Nicaraguan revolution, the U.S. leaders try to bury Bolivar's dream that today advances toward a great Latin American convergence. This convergence demands political, economic, and financial respect for Latin American peoples. By destroying the Nicaraguan revolution, the U.S. leaders want to kill the hope of Nelson Mandela's people in South Africa and the struggle for their independence and freedom, and against apartheid. By destroying the Sandinist popular revolution, the U.S. leaders plan to hit the Nonaligned Countries Movement and the struggle of U.S. men and women who resist the U.S. leaders imperialist policy. In order to achieve this purpose of liquidating the Nicaraguan revolution, the U.S. leaders -- disrespecting the international juridical order and fostering a state terrorism policy 44 years after fascism was defeated and 40 years after the United Nations was founded -- bring back to mind, with words and deeds, the days in which the fascists initiated their fateful dash toward military hegemony. Ths U.S. Government's terrorist actions have caused more than 12,000 Nicaraguan casualties, including dead, wounded, and abducted. The United States has also caused the displacement of more than 72,000 affected peasants from war zones and material losses totalling more than $1.34 billion. Their aggression has already been structured for a direct intervention by U.S. troops. The U.S. Government's aggressive policy has made substantial inroads in the U.S. Congress by involving it in illegal, terrorist (?activities) through the approval of $27 million for counterrevolutionary forces.

The U.S. Government has already spent more than $130 million for destruction in Nicaragua. The U.S. plan proposes the growth of mercenary forces into a number not less than 30,000 terrorists, and a greater involvement of the Honduran, Costa Rican, and Salvadoran Governments as a basis for the aggression against Nicaragua. The U.S. plan presupposes the use of political groups, the press, church hierarchy, and businessmen as domestic forces to complement military aggression. The mission of these groups is to open the domestic political front. The U.S. plan ignores all possible dialogue or negotiations with Nicaragua or through the Contadora Group. The U.S. plan wants to foster a proposal for a dialogue with counterrevolutionaries in order to carry out what amounts to a move through Contadora in addition to its purpose of destroying the Nicaraguan revolution. The U.S. plan continues to develop the idea of economic attrition based on the assumption that the people will lose confidence in the revolution and that part of the people will even support the U.S. troops intervention. The U.S. plan tries to prevent the drafting of the constitution. The aggressive plan continues to be developed. Consequently, the defense of peace is the most important task. It is a duty of all Nicaraguans to foster military defense, as well as to develop an economic survival policy in accordance with the aggression we suffer and the effects of the economic and financial crisis that hits the world's peoples. To make progress in the institutionalization of the revolution is also a task for Nicaraguans. Hence, in the middle of military aggression and an economic crisis, we have committed ourselves to drafting a constitution for the nation that will give an institutional framework to the democratic popular system that emerged as a result of the triumph of the revolution.

The FSLN's appearance before the special constitutional commission demonstrates our political willingness to strengthen the institutionalization of the revolution. The FSLN feels that the rights for which the heroic Sandino's people fought until they achieved a revolutionary victory on 19 July 1979 should be included in the constitution. The people have continued struggling to defend their freedoms from foreign aggression.

1. The blood of peasants, workers, Indians, young people, women, and children was spilled through the forms of exploitation imposed first by colonialism and later by Yankee expansionism and imperialism. This blood demands a constitution to formally eradicate man's exploitation by man. The FSLN will struggle so that this principle can be included in the constitution.

2. The FSLN will defend the constitutional principle of the new system that emerged from the Sandinist people's revolution. This system entailed a change in the structures of power -- the workers, peasants, and laborers being the source of popular power. By implementing the constitution, we will be giving a constitutional, legal framework to the popular democratic system that is the power of the working people. This democratic system also guarantee the participation of all political, social, and economic sectors in the nation.

3. The FSLN will defend the constitutional principle of a unitarian, democratic state with electoral mechanisms to guarantee the participation of all sectors of the nation. In this state, there will be political willingness, legislation, and the proper mechanisms to guarantee the individual, civil, economic, political, and cultural rights of Nicaraguans.

4. The FSLN will defend nonalignment, political pluralism, and a mixed economy so that they can be included in the constitution as fundamental factors that will help strengthen the workers and the people's power, as well as the revolutionary system that emerged on 19 July 1979.

5. As a state and nation that only aspires to live peacefully, we advocate detente, oppose a rightist stance, and advocate peaceful coexistence among the world's peoples and nations, regardless of these peoples political and social level. Along these lines, we Nicaraguans will include in our constitution the best values and the noblest political achievements that are the heritage of the democratic and progressive mankind. Our legality and our institutions [words indistinct] are to be added to the world peoples democratic achievements.

6. The FSLN will defend the constitutional principle of the need for Central America's integration based on respect for the self-determination of the peoples of the region.

7. The FSLN will defend the constitutional principle of working for Latin American unity in defense of the people's self-determination and their political and economic sovereignty. Nicaragua's acceptance of the Contadora document demonstrates our identification with Latin American principles.

8. The FSLN will defend anti-imperialism; the defense of the homeland, national sovereignty, and independence; international solidarity; and relations with all world nations as a constitutional principle.

9. The sacrifices of the peasants from Rancheria, Los Arcos, [words indistinct], Jalapa, Waslala, the San Juan River and all of Nicaragua demands that agrarian reform be included in the constitution so that every peasant can own his land. The FSLN will defend this principle so that it can be included in the constitution.

10. The workers just demands for health, education, housing, public services, and supplies constitute a right that the FSLN feels must be included in the constitution.

11. In drafting the constitution, the FSLN will defend the principles of a working democracy and social justice for which Sandino shed his blood.

12. The FSLN will defend the right of the popular, trade union, and social groups to organize freely.

13. The FSLN will defend the constitutional principle establishing workers and peasants access to the social communications media.

14. The FSLN will defend the constitutional principle establishing the nationalization of exports, banks, and natural resources, and the people's ownership of the property confiscated from the Somozists and their accomplices.

15. The FSLN will defend the constitutional principle establishing the autonomy of our brothers in the Atlantic coast in order to bolster the nation's integrity.

16. The FSLN will defend the constitutional principle establishing freedom of worship.

17. The FSLN will defend the constitutional principle establishing the Sandinist People's Army, the Sandinist People's Militia, and the Sandinist Police.

18. The FSLN will defend the constitutional principle establishing respect and worship for the heroes and martyrs who spilled their blood in the struggle for liberation and who continue spilling it on the war fronts in order to defend this free homeland.

19. The FSLN will defend the constitutional principle that recognizes the supports the mothers, children, widows, and relatives of heroes and martyrs.

20. The FSLN will defend the constititonal principle that acknowledges and encourages those men and women who stand out in the defense of the homeland either in the military or productive areas, or in the fields of education, science, culture, and sports.

The FSLN, heir to the banners of Jose Dolores Estrada, Zeledon, Sandino, Rigoberto, and Carlos; the FSLN, historical vanguard of Nicaragua's current process of social, political, and economical transformation, pledges to continue defending this revolutionary process with the discipline, dedication, and sacrifice of its militants. Although faced with Yankee aggression, this revolutionary process discusses in an open council the drafting of the constitution. The FSLN, the Nicaraguan people's fist and heart, will continue to defend this process without ever betraying the aspirations of workers and the peasants. We will continue building this new homeland with rifle in hand and the constitution in our chests until we achieve the peace currently being denied to us by the Yankee enemy of mankind.

The national dignity guarantees the future. Free fatherland or death! FSLN -- Victorious Nicaragua neither sells itself nor surrenders.

5 September. Thank you very much.

COMMENTARY VIEWS U.S. ANTISATELLITE TESTS

FL051431 Havana Domestic Service in Spanish 1100 GMT 5 Sep 85

[Radio Progreso commentary]

[Text] The Pentagon has just confirmed that the United States will conduct in September the first test on antisatellite weapons aimed at a target in space. The confirmation was made a few hours before the Soviet Union warned the Reagan administration about the effects such a decision would have on the world's political and military stability. The U.S. Defense Department response coincided with that of the State Department, which also reiterated the intention of continuing the antisatellite weapons test program. According to a State Department report, the program was developed in terms of technical considerations.

The intention of testing the new weapon was reported to Congress last 20 August by President Reagan. The U.S. head of state told the Congress this type of weapon is essential for U.S. national security and to pressure the Soviets during the talks the two countries are holding in Geneva on nuclear and space weapons.

The Reagan administration has repeatedly attempted to diminish, with these fallacies, constant Soviet proposals on nuclear arms reduction. Precisely, this new warmongering step has been taken despite the fact that the Soviet Union has established since 1983 a moratorium on testing and deployment of antisatellite weapons. Washington also responded in this way to the latest Soviet proposals made this week by Mikhail Gorbachev to a group of U.S. senators who visited Moscow.

Upon this situation, the Soviet Union officially announced that it will consider itself free of its unilateral commitment on space weapons testing if the United States conducts them and that this will begin a new stage in arms race.

REAGAN OPPOSES SANCTIONS AGAINST SOUTH AFRICA

FL051844 Havana Domestic Service in Spanish 1403 GMT 5 Aug 85

[Text] U.S. President Ronald Reagan continues to be firmly opposed to the application of sanctions against South Africa and has not discarded the possible use of the veto against congressional sanctions. The chief of the White House will meet today with his closest advisers on the situation in South Africa to study his options in a political confrontation between the chief executive and the Congress regarding sanctions against Pretoria. The alternative of a presidential veto followed by a presidential order imposing minor sanctions proposed some time ago could keep the Congress from overriding a presidential veto. Such measures against South Africa would include the prohibition of the sale of electronic equipment to different sectors of the racist administration, and others.

FUNDARO RAISES DEBT ISSUE AT AREA CONFERENCE

FL051509 Havana Domestic Service in Spanish 1100 GMT 5 Sep 85

[Text] The participants in the international conference being held in Buenos Aires on Latin America's problems and its role in the prevention of nuclear war noted that the foreign debt of the so-called Third World is unpayable. The important subject was discussed by the plenary after Orlando Fundaro, president of the Cuban Movement for the Peace and Sovereignty of the Peoples, spoke about the debt's implications on the people's rights to live peacefully and build their future.

MELBA HERNANDEZ MEETS SRV'S PHAM VAN DONG

FL052128 Havana Domestic Service in Spanish 1826 GMT 5 Sep 85

[Text] The Vietnamese daily newspaper NHAN DAN published today on its front page the meeting between Vietnam's Pham Van Dong, chairman of the Council of Ministers, and Melba Hernandez, director of the Cuban Center for Research on Asia and the Pacific, who is visiting in Hanoi. Hernandez was president of the Cuban Committee for Solidarity With Vietnam during the war years and afterward became ambassador to that Asian country.

FRG VICE MINISTER ON INTENSIFYING DIALOGUE

FL052148 Havana Domestic Service in Spanish 2056 GMT 5 Sep 85

[Text] FRG Vice Foreign Minister Wolfgang (Mollermann) has said that his country wants to intensify its political dialogue and increase its cooperation in various fields with Cuba. The West German vice minister visited our country in 1981 on the occasion of the conference of the Interparliamentary Union and met then with Commander in Chief Fidel Castro.

INTERNATIONALISTS PROVIDE HEALTH AID TO ETHIOPIA

FL042256 Havana Domestic Service in Spanish 1816 GMT 4 Sep 85

[Text] A Cuban cooperation brigade of health workers is offering its internationalist services to Negelli, socialist Ethiopia, due to the illness and [word indistinct] resulting from the drought lashing the northeastern zone of Africa. Eight doctors and three nurses comprise the collective that has other extralaborial tasks such as holding sports events, and organizing farewell ceremonies for Cuban internationalists.

PUBLIC HEALTH MINISTER ATTENDS CONGRESS FOR BLIND

FL301804 Havana Television Service in Spanish 1100 GMT 30 Aug 85

[Text] Dr Sergio del Valle Jiminez, Politburo member and minister of public health, has presided over the inaugural session of the second special congress of the National Association of the Blind that began on Thursday at the Julio Antonio Mella national cadre school of the Union of Young Communists, in Havana.

JOSE ABRAHANTES PRESIDES OVER MININT CEREMONY

FL301826 Havana Television Service in Spanish 1100 GMT 30 Aug 85

[Text] On the 20th anniversary of the organization of the party within the Ministry of the Interior [Minint], a group of most valuable comrades who 2 decades ago were given the responsibility of performing this honorable task, received on Thursday certificates accrediting them as founders of the Communist Party in the Minint. The solemn ceremony was presided over by Division General Jose Abrahantes Fernandez, first vice minister of the interior and member of the party Central Committee, who made the main remarks at the ceremony.

[Begin recording] You will always be able to feel proud, beloved comrades, of having contributed to forging the party that educates and guides and transcends us all and is today, as Fidel has said, the soul of the Cuban revolution, the bearer of the historical banners of our people, and the guarantor of the victory of our socialist and communist cause. [applause] [end recording]

POLITBURO MEMBER INSPECTS SANTIAGO SCHOOLS

FL031744 Havana Domestic Service in Spanish 1700 GMT 3 Sep 85

[Text] As part of the activities related to the beginning of the 1985-86 school year, Julio Camacho Aguilera, Politburo member and first party secretary of Santiago de Cuba Province, and Jose Ramon Fernandez, minister of education, have visited educational centers in the city of Santiago de Cuba. During their visit they noted the growth of the Jose Marti District, principally as regards the [words indistinct] No 7 and the preuniversity institute for medical sciences, located in the old normal school in Santiago de Cuba. The preuniversity institute for exact sciences has begun the school year with 91 students matriculated, all from the five eastern provinces of Cuba.

POLITBURO MEMBER CAMACHO AT MICRO-DAM CEREMONY

FL041857 Havana Television Service in Spanish 1700 GMT 4 Sep 85

[Text] The Marianaje micro-dam and La Campana canal (conductora) have been inaugurated in Santiago de Cuba. This water complex of half a million cubic meters of water will benefit an important agricultural area at the east of Santiago de Cuba. Julio Camacho Aguilera, Politburo member and party provincial committee first secretary, attended the inauguration with other labor union and administrative leaders of the territory.

LEZCANO PEREZ PRAISES JOURNALISTS AT CEREMONY

FL060122 Havana Domestic Service in Spanish 2130 GMT 5 Sep 85

[Text] Jorge Lezcano Perez, Central Committee member and first secretary of the party in Havana City, said the work of the journalists is a fundamental part of the workers struggle to carry out the production and ideological advancement of the working class. Lezcano Perez presided over the provincial party's ceremony for press workers held at [words indistinct] in Havana. Lezcano Perez said: Even though there is much to do, one must recognize the journalists' daily struggle, evidenced in the search for new ways to report the news, and their interest in stressing achievements and the struggles for economic efficiency and ideological development of our working class.